

2
2007

This is to certify that the
thesis entitled

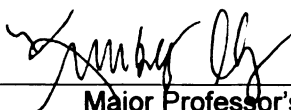
Public Agencies, Participation, and Power: A case study of
public participation in economic development

presented by

Lexine T. Hansen

has been accepted towards fulfillment
of the requirements for the

M.S. degree in Resources Development



Major Professor's Signature

6/07/06

Date

MSU is an Affirmative Action/Equal Opportunity Institution



PLACE IN RETURN BOX to remove this checkout from your record.
TO AVOID FINES return on or before date due.
MAY BE RECALLED with earlier due date if requested.

DATE DUE	DATE DUE	DATE DUE
DEC 15 2008		

Public Agencies, Participation, and Power:
A case study of public participation in economic development

By

Lexine T. Hansen

A THESIS

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

MASTERS OF SCIENCE

2006

ABSTRACT

Public Agencies, Participation, and Power: A case study of public participation in economic development

By

Lexine T. Hansen

While economic development in the U.S. is a public process, it is unclear how the public influences economic development programs. This study uses a case study approach to examine how ordinary community members may access the decision-making process at a public economic development agency. Qualitative interviews were used to explore the ways in which the public may participate in and influence the work of Iron Range Resources (IRR), a regional agency working to diversify the economy of rural, Northeastern Minnesota.

The results suggest that ideologies of expertise frame economic development thinking so that expert knowledge is privileged over community knowledge and business interests outweigh citizen goals. Three main mechanisms for community input are identified. However, the most commonly cited means, public commentary, offers community members little real influence. The results also suggest that elites may use positions of power outside of the IRR to influence the process from within. Finally, the study finds that community members with influence at the agency are community elites, usually economic development professionals, government officials, or business leaders who already enjoy elevated status in the community. The research concludes that underlying ideologies frame the work of IRR so that community knowledge is marginalized and local people are distanced from the economic development programs in their communities. The research shows that economic development assumptions privilege elites and must be re-conceptualized to include non-elites.

Copyright by
LEXINE T. HANSEN
2006

To my father, Terry D. Hansen,
who shared in this research from beginning to end.

ACKNOWLEDGEMENTS

This research could not have been possible without the support of many people. Contributions from Iron Range businesses Seppi Brothers Construction and Ryan, Kasner, Ryan funded the transcripts. My transcribers, especially George Moyer, completed painstaking and detailed work in a minimum of time. Without their assistance, I would still be transcribing interviews.

My committee deserves a great deal of credit for this project. Dr. Pete Kakela re-introduced me to the Iron Range and to IRR. His friendship and support were invaluable. Dr. Pat Norris added understanding about economic development and local governance. Finally, Dr. Kimberly Chung, my advisor, worked with me step by step throughout the process, pushing me to create a better thesis than I thought possible. Her intelligence, diligence, and mentorship have changed my life. I have grown as a scholar and a person as a result of our collaboration.

My family and friends have been extremely supportive as well. Christine Egger showed me that it was actually possible to finish a thesis project. Monica Day taught me it was all right to go at my own pace. My mother, Lynne Hardey, reminded me that the end product would be worth the struggle. My father, Terry Hansen, housed me during the research and allowed me to take over his computer and home for the project. He was also a sounding board for my initial confused thoughts and ramblings about the project.

The people of Iron Range Resources were friendly and helpful, answering my numerous questions quickly and opening their offices to me with honesty and forthrightness. They work tirelessly to improve the economies of Iron Range communities and I admire them greatly.

I am also deeply indebted to Iron Rangers themselves. The people of northern Minnesota build and maintain quality communities in harsh conditions, both economically and climatically. They serve as a model for rural communities around the country. They are my inspiration for this project as well as all the work I do.

I am forever grateful for the support I received from all of these people, and those I have not been able to mention here.

TABLE OF CONTENTS

LIST OF TABLES	ix
LIST OF FIGURES	x
1. INTRODUCTION	1
1.1 THE IRON RANGE RESOURCES CASE STUDY	4
1.2 RESEARCH QUESTIONS	6
2. LITERATURE REVIEW	9
2.1 ECONOMIC DEVELOPMENT IN THE UNITED STATES	9
2.1.1 Economic Growth	10
2.1.2 Who Are Economic Development Decision-makers?	12
2.1.3 Movement Toward Local Involvement	23
2.2 PUBLIC PARTICIPATION	25
2.2.1 Levels of Influence	25
2.2.2 Purposes and Mechanisms of Participation	26
2.2.3 Issues and Participation Modes	30
2.2.4 Critiques of Public Participation	32
2.3 IDEOLOGY AND POWER IN DECISION MAKING	39
2.3.1 Coercive power	39
2.3.2 Ideologies	41
2.4 RESEARCH QUESTIONS FOR THIS STUDY	42
3. METHODS	45
3.1 DATA COLLECTION	45
3.1.1 Document Analysis	46
3.1.2 In-depth Qualitative Interviews	46
3.2 DATA ANALYSIS	52
3.2.2 Development of Codes	52
3.2.3 Displays	53
3.2.4 Analysis for Each Research Question	56
3.2.5 Validity	59
4. IRON RANGE RESOURCES: DESCRIPTION	60
4.1 BRIEF HISTORY OF IRON RANGE RESOURCES	60
4.1.1 Current IRR Goals	65
4.2 IRR'S DECISION STRUCTURE	66
4.2.1 Governor	67
4.2.2 Commissioner	67
4.2.3 Iron Range Resources Board	69
4.2.4 IRR Staff	69
4.2.5 Citizen Advisory Committees	70
4.3 PROJECT PROCESS	72
4.4 CONCLUSION	74

5. RESULTS AND DISCUSSION	75
5.1 WHAT INPUT MECHANISMS ARE AVAILABLE TO LOCAL COMMUNITIES IN IRON RANGE RESOURCES' ECONOMIC DEVELOPMENT DECISION PROCESS?	75
5.1.1 Insider Mechanisms: Locals Participate in IRR Bodies	78
5.1.2 Promotion Mechanisms: Promoting Projects as an IRR Outsider	78
5.1.3 Commentary Mechanisms: Reacting to IRR Decisions	79
5.2 WHO INFLUENCES THE PROCESS?	81
5.2.1 Who is Influential: Expected Influence	81
5.2.2 Who Is Influential: Extraordinary Influence	86
5.3 WHAT INFLUENCE DO LOCAL COMMUNITIES HAVE IN IRR DECISIONS?	92
5.3.1 Local Influence: Community Elites	92
5.3.2 Local Influence: Non-elites	94
5.4 DISCUSSION: WHY ARE INPUT MECHANISMS AND INFLUENCE STRUCTURED IN THIS WAY?	102
5.4.1 Participation	102
5.4.2 Coercive Power	109
5.4.3 Competing Ideologies	110
5.5 CONCLUSION: COMPETING IDEOLOGIES MARGINALIZE COMMUNITY MEMBERS	119
6. CONCLUSION	120
6.1 IMPLICATIONS	122
6.2 LIMITATIONS	125
6.3 NEXT STEPS	127
7. APPENDICES	129
7.1 DATA COLLECTION MATERIALS	129
7.1.1 Interview Consent Form	129
7.1.2 Public Meeting Participation Consent	131
7.1.3 Interview Schedules	133
7.2 DATA ANALYSIS MATERIALS	140
7.2.1 Coding Table	140
7.2.2 Displays	143
7.3 PAC MEDIA RELEASE	148
8. REFERENCES	149

LIST OF TABLES

TABLE 2.1: PARTICIPATION TYPOLOGY AS DESCRIBED IN CORNWALL (2003) -----	27
TABLE 3.1: DATA COLLECTION PROCESS -----	47
TABLE 3.2: PAC ROLE SUMMARY DISPLAY (ABBREVIATED). -----	55
TABLE 3.3: CONSENSUS DISPLAY: PROJECT PROCESS AND DECISION STRUCTURE -----	56
TABLE 7.1: CODE LIST AND DEFINITIONS -----	140
TABLE 7.2: SUMMARY MATRIX OF INPUT MECHANISMS BY INFORMANT -----	143
TABLE 7.3: INFLUENCE CONSENSUS TABLE -----	145
TABLE 7.4: PAC ROLE CONSENSUS TABLE -----	146

LIST OF FIGURES

FIGURE 4.1: MAP OF TACONITE ASSISTANCE AREA (IRON RANGE RESOURCES, 2005).....	60
FIGURE 4.2: HIERARCHY OF IRR DECISION MAKERS	68
FIGURE 4.3: HOW A PROJECT IS PLANNED AT IRR	73
FIGURE 5.1: INPUT MECHANISMS FOR LOCAL COMMUNITIES TO PARTICIPATE IN THE PROJECT DECISION PROCESS AT IRR	77

1. INTRODUCTION

America's rural communities face many challenges. Shifting economic patterns, including declining industry, continued urbanization and suburbanization, and agricultural commercialization have resulted in reduced rural employment opportunities and out migration to urban centers (Boothroyd & Davis, 1993; Reese, 1997). Rural communities in the U.S. and around the globe are engaging in a variety of economic development strategies to address these challenges.

Theories of economic development vary across a wide policy spectrum and are often incompletely understood and implemented in local contexts. Nationally, economic development is usually described as growth, especially growth in jobs (Boothroyd & Davis, 1993; Blair & Reese, 1999; Wolman & Spitzley, 1999). Often, specific industries or sectors are targeted based on the resources available in each community, and business recruitment is the core activity of developers (Beauregard, 1993; Boothroyd & Davis, 1993; Wiewel et al., 1999).

Economic development can be implemented differently in different places, by different people. Thus, scholars examine who determines economic development programs. Reese and Rosenfeld (2002) coined the term local civic culture to describe the decision-making culture that creates decision processes and empowers decision makers. The local civic culture affects how development is implemented in a community because it determines the organizational structure as well as who is included in making decisions. Different decision structures grant decision making responsibilities to different people, such as business leaders, economic developers, politicians, or community leaders. However, examination of the work of economic development decision-makers suggests that they tend to focus on business recruitment and specifically, the number of jobs created, rather than

factors which impact quality of life or community well-being more broadly (Vogel & Swanson, 1993). As such, residents' goals, which are often broader than those of economic developers, are supplanted by a bias toward business needs. Some economic development scholars have therefore supported more public involvement in economic development decisions (MacFarlane, 1993; Eisinger, 1999; Clarke, 2001; Making Change Happen, 2001; Stiglitz, 2002; MacAulay, 2004; Sullivan, 2004; Koster & Randall, 2005). This support for public involvement follows a similar trend in a variety of fields toward more community input in public decisions.

Support for increasing public voice in social programs is evident in a variety of fields, including Political Science, Sociology, Community Development, International Development, Public Health, Environmental Science, and many others (Bachrach *et al.*, 1993; Renn *et al.*, 1995a; Kabeer, 1997; Cummings, 2001; Gaventa *et al.*, 2002; Satterfield & Levin, 2002; Stiglitz, 2002; Cornwall, 2003). Theorists in these fields critique elite-driven policy—those situations in which those already elevated socially, such as business leaders, public officials, and other professionals, are tasked with creating social programs. They have found that elites may create policies that are not consistent with common people's goals (Gaventa *et al.*, 1995; Renn *et al.*, 1995a; Gaventa, 2002). Proponents of greater public participation have noted that communities can be involved in public decisions in a variety of ways. These opportunities for public participation, called input mechanisms, vary in mode, purpose, and influence. Participation, for example, can be used to limit public criticism, but it can also be transformative in nature and can build citizen capacity and democracy in communities (Cornwall, 2003). Some continue to argue that experts are better decision makers than community members (Dewar, 1986; Beaulier, 2004). Others who practice

economic development fear that public involvement may create public opposition—therefore, community participation may be carefully controlled (Renn *et al.*, 1995a).

Citizen advisory committees (CACs) are a frequently cited means to involve citizens in public decision-making (Renn *et al.*, 1995a). CACs offer an opportunity for community members to become highly involved with an agency and to learn about its work and collaborate with its staff. Recent studies of CACs (Renn *et al.*, 1995a) have detailed their structure and noted that they can be used for varied purposes, for example to control public participation or build inclusive dialogue. Thus far, however, there has been little written on the role that CACs, or other forms of citizen participation, play in the process of economic development decision-making.

More attention has been placed on the formal decision-makers in these processes. Reese and Rosenfeld (2002), for example, have focused on the cultural aspects of the decision structures that are associated with economic development. Specifically, local civic culture (LCC) is the culture of these decision processes; it is the set of relationships and decision bodies that compose these processes (Reese & Rosenfeld, 2002). The work of Reese and Rosenfeld (2002) is important as it focuses attention on *how* decision processes and structures function. Their work, however, does not focus on community members' involvement in the decision process. As such, the purpose of this research is to examine how members of the public are included in public decisions concerning economic development. Consistent with the concept of civic culture, the research explores the ideologies that support this local culture. In this thesis, ideology is defined as the system of beliefs or assumptions that underlie the public decision processes for economic development. An ideology lays a foundation for a local civic culture to develop, and therefore will ultimately influence how community members participate, how decisions are

made, and what activities are included in economic development. Since ideologies frame the decision processes, they must be examined to understand why and how processes include some and marginalize others.

1.1 THE IRON RANGE RESOURCES CASE STUDY

This project focuses on a case study of Iron Range Resources (IRR), an economic development agency in northern Minnesota. IRR works in the Taconite Assistance Area (TAA), also called the Iron Range, a geographical region encompassing the major iron ore deposits and surrounding communities, spanning 7 counties and including more than 13,000 square miles, or 15% of the state of Minnesota (Iron Range Resources, 2006). The TAA is somewhat comparable to Michigan's Upper Peninsula. While the UP is slightly larger, at 16,452 sq mi., both regions have abundant lakes, forests, and other natural resources, and are remote from urban centers.

While the TAA is large, most of its 300,000 inhabitants reside in the small rural towns near the iron mines. The area's workforce includes only 123,722 people, 7,755 of whom are unemployed according to IRR's web site (2006). Iron Rangers, as residents of the area call themselves, are educated: 91% have a high school diploma or higher, 50% a professional certificate or license, and 17% a bachelor's degree (Iron Range Resources, 2006). The median wage is \$14.22/hour (Minnesota Department of Employment and Economic Development, 2006) and median household income is \$39,566 (Northland Connection, 2006). Almost 75% of the homes in the region are owner-occupied, and average home values range from \$43,139 in Ely to \$67,764 in Grand Rapids (Iron Range Resources, 2006).

This region is like many rural U.S. communities whose economies depend on natural resources. Since the iron ore industry has been contracting since the early 80s, there are few

economic opportunities for Iron Rangers and their families (Alanen, 1989). IRR exists to diversify this economy and increase economic opportunity on the Range (Iron Range Resources, 2004a).

The work of IRR is vital to the survival of communities on the Range. The IRR budget is large relative to the size of the population it serves; in 2004 it was over \$21 million. The state's Employment and Economic Development department, in contrast, has a budget of \$46 million for similar work in the rest of Minnesota, with a total state population of nearly 5 million (Stavros, 2006). Similarly, Michigan contributes \$32 million to support projects for the entire state to the Michigan Economic Development Corporation (Colisimo, 2006).

IRR is funded through iron ore production taxes and receives about 25% of the \$2.103 assessed per ton of ore produced (Minnesota Department of Revenue, 2003). About 15% of the tax is rebated to the mining companies for improvement and the remaining 60% is distributed to TAA school districts, cities, and counties and for property tax relief (Minnesota Department of Revenue, 2003). Since these funds are very important to Iron Range communities, there is frequent discussion of IRR and the production taxes in the local media.

IRR is an ideal case to study how citizens participate in economic development decisions. First, IRR is an important public agency, both in terms of the size of its budget and the need for development in this rural area. IRR is a state agency which is directed by both the governor, through his appointed commissioner, and an appointed board of legislators and local citizens. The public nature suggests some accountability and transparency in practice and means that the process is assumed to be accessible to researchers and community members.

Second, community involvement appears to be an important theme appearing in recent empirical studies on the IRR. Both the popular and scholarly literature suggest that IRR has a history of supporting projects that receive public criticism, including a chopsticks factory built in the early 1980s and a building demolition program that was only recently discontinued (Kelleher & Radil, 1999). This perplexing history has generated some scholarly interest in how IRR supports economic development. Dewar (1986) for example, found that IRR development efforts were ineffective because the agency did not rely on enough on rational analysis. Ten years later Roberts (1996) found that the agency was shifting its focus away from investments in community infrastructure (such as improving water and sewer systems, and building community parks). However, she noted that Iron Rangers preferred these community infrastructure projects over other IRR efforts (Roberts, 1996). The shift away from popular projects suggests that the agency's changing strategy may contradict the goals of community members. Thus, the role of community input and influence in the development of the Range appears to be vital to public confidence in this agency

Third, preliminary research indicated that the IRR offers various opportunities for community involvement and these can be examined in detail. In keeping with Reese and Rosenfeld's (2002) definition, these opportunities are called *input mechanisms* because they are the ways in which community members can have input in the IRR's decision process. By investigating IRR input mechanisms, the research uncovers how these mechanisms allow or limit citizen influence.

1.2 RESEARCH QUESTIONS

The overall objective of this research is to investigate how citizens participate in economic development programs through a case study of the IRR. This research includes three specific research questions:

1) **What input mechanisms exist in the IRR decision process?** This question examines the specific opportunities that exist for community members to participate in the agency's decision process.

2) **Who influences the process? What influence do local communities have in IRR decisions?** These questions address the difference between opportunities for participation and the influence afforded by an input mechanism. Here, influence is used to describe how someone may alter or affect the process. The research explores who is most influential at the agency as well as what influence is wielded by community members.

3) **Why are input and influence structured in this way?** This question investigates the ideologies, the underlying set of beliefs that frames the decision process and structure of IRR.

The thesis is structured as follows. Chapter 2 introduces the theory behind economic development which informs the thesis. It explores who implements economic development and how communities are envisioned in that process. It also examines the public participation literature which forms the foundation for a growing recognition that public programming decisions must include the public. It concludes with a brief outline of the underlying system of concepts, the ideology, which structures economic development currently and their implications for community power. Chapter 3 details the design of the study: the data collection and data analysis procedures. Chapter 4 introduces and describes the case study. It provides background information on the Iron Range of Minnesota, the economic development history of the region, and Iron Range Resources' organizational hierarchy and decision process. Chapter 5 reports the results of the research. Finally, Chapter 6 concludes the project with a discussion of its larger implications for public

decision-making. It also includes brief comments on study limitations and future research opportunities.

2. LITERATURE REVIEW

Economic development decision-making is a public process like many others. This chapter reviews how economic development is framed, who makes economic development decisions and how they are made, and how elitism in the process marginalizes local communities. It then assesses how public participation is conceptualized in a variety of fields and how it is addressed in the field of economic development. Finally, it presents how the influence of communities and elites in public decision-making is conceptualized and studied. The chapter concludes that economic development in the U.S. has been characterized by technocratic ideologies and elite decision-making processes that preclude public participation. While economic development scholars have begun to examine the organizations which implement development policy, little has been written about how local community members interact with decision makers and the implications of that interaction.

2.1 ECONOMIC DEVELOPMENT IN THE UNITED STATES

Economic development is envisioned and practiced differently in different contexts. Early on, economic development theory was concerned with poor, Third World countries, and, until the late 1960s and 1970s, U.S. economic development was primarily focused on poverty reduction programs for inner cities and isolated rural communities (Blair & Reese, 1999). The collapse of concentrated industries and manufacturing in the late 1970s and early 1980s caused economic development in the U.S. to focus on growth, rather than welfare, community development, or other approaches (Blair & Reese, 1999). Originally emphasizing industrial growth, the focus of economic development has since expanded to growth in the service and other sectors. This underlying focus on growth is the prominent ideology in economic development today (Boothroyd & Davis, 1993; Blair & Reese, 1999). An ideology is the underlying beliefs which comprise a social system, and in economic

development, the underlying belief is that economic growth is the key to healthy communities (Boothroyd & Davis, 1993).

2.1.1 Economic Growth

With the decline of U.S. manufacturing in the 1970s, U.S. economic development focused on industrial growth, through the recruitment of major employers and large firms (Blair & Reese, 1999). “The industrial development to be attracted is typically a factory, but could just as well be a mine, a railway, a tourist attraction, a prison, a college, or a government agency” (Boothroyd & Davis, 1993, 231). Sometimes called smokestack chasing, this industrial growth approach forced communities to compete for employers and based policies on “accountants’ ideas of what a good business climate would be: cheap land, cheap labour [sic], low taxes, few environmental regulations and right-to-work laws” (Henderson qtd. in Boothroyd & Davis, 1993, 231). With this approach, the role of economic developers was to recruit investment by catering to business owners and improving the business climate of the town (Boothroyd & Davis, 1993).

The industrial focus of smokestack chasing became problematic. Beauregard (1993) reviewed a number of concerns. First, while “industrial diversification seems to be unconditionally adopted and praised,” it can be favored to the detriment of other sectors of the economy (Beauregard, 1993, 109). Second, growth and stability are not always compatible: having many businesses that are tied to industrial cycles leaves communities vulnerable to an economic downturn (Beauregard, 1993). This is ignored by much industrially focused growth (Beauregard, 1993). Finally, the changing patterns of business in America are also at odds with an industrial focus. In 1993, “the overwhelming number of jobs [were] being created in the North American economy by small-business expansions and start-ups” (Boothroyd & Davis, 1993, 231). This trend continues today as 60-80 percent of

net new jobs were created by firms of less than 500 employees over the last decade (Small Business Administration, 2005).

In recognition of these challenges, the industrial growth strategy evolved into one of public-led planning for growth. As economic changes were recognized, developers moved from a focus on industrial recruitment to focusing on recruiting from all business sectors (with the exception of agriculture) (Blair & Reese, 1999). Now, economic growth is seen as important even in communities that are well-off “not only to stimulate new activity but to assist in the regeneration of jobs” (Blair & Reese, 1999, x). However, the overarching goal is the same as with industrial recruitment: to increase a locality’s exports (Wiewel *et al.*, 1999).

With this approach,

the emphasis is on comprehensive planning for growth by involving all relevant private and public actors in setting targets, surveying opportunities, and developing a wide range of strategies.... [Specifically,] firms are assisted in increasing community exports by expanding markets, developing new products, or making better use of resources [with] loans and grants, training programs for entrepreneurs and employees, incubators which provide a pool of office equipment and other facilities, information on efficiency-producing technological innovations, marketing junkets, infrastructure improvements, and industrial parks. More indirectly, assistance can be given by increasing community attractiveness to shoppers, tourists, retirees, workers, and investors through measures such as heritage preservations, installing street furniture, improving health facilities, reducing pollution, and developing social services such as day care. (Boothroyd & Davis, 1993, 231-232).

Boothroyd and Davis (1993) highlight the underlying assumptions framing this growth approach, its ideology:

- 1) "The community economy is taken to be the totality of monetary transactions" [and ignores all non-monetary activities]...
- 2) "The community is better off when employment is increasing....Cultural, social, or environmental costs of increased employment are secondary considerations."...
- 3) "Increased employment is most effectively advanced by increasing the flow of money into the community...largely by increasing the level of exports and by attracting outside businesses into the community."...
- 4) "The community's internal economy (i.e. the structure of relationships within the community as opposed to its place in the wider economy) is best left to the market to determine" (231).

Though still a popular perspective, the growth paradigm is limited by its single-mindedness. Boothroyd and Davis (1993) argue that this approach can be useful, but that more is needed. "There are many times when the growth promotion approach is necessary, but none in which it is sufficient" (Boothroyd & Davis, 1993, 233). For them and for others, this approach isolates communities, makes them compete with each other for outside resources, and is helpful mostly in regions which are already advantaged in size, location, infrastructure, etc. over other areas.

A number of other economic development paradigms have developed based on both technical concerns and localized priorities. However, the main thrust of economic development in the U.S. remains focused on growth. Wolman & Spitzley (1999) maintain that "[w]hat most economists mean by economic development is an increase in area employment, income, or both" (226). Unlike community development, which usually focuses on increasing community wellbeing, or at least on community infrastructure projects, economic development focuses on increasing income, jobs, businesses, and consumption.

2.1.2 Who Are Economic Development Decision-makers?

2.1.2.1 Local Civic Culture

"Local civic culture is the governing or decision-making culture" (Reese & Rosenfeld, 2001a, 325).

Economic development occurs differently across various contexts. As such, who makes program decisions is a fundamental issue. These decision makers are those who are officially responsible for making economic development decisions. Reese and Rosenfeld (2002) suggest that the local civic culture (LCC) of decision-making plays a major role in how economic development is implemented in various communities. The "distinctive local factors that shape the environment of economic development decision-making," such as

how decision-makers interact, who has access to formal decision processes, and even who is informally influential, “constitute a community's local civic culture” (Reese & Rosenfeld, 2002, 3). These authors recognize that the official structure, which designates the formal powers of decision makers, is also interlinked with informal influence and the long term histories of local communities. Exploring LCC is an attempt to identify how local cultures affect both formal structures and informal relationships. According to Reese and Rosenfeld (2002), economic development decisions are a product of this local culture as LCC creates decision processes and empowers decision makers. Finally, the local culture is also linked to an outer environment that includes the national economy and larger trends, things that are uncontrollable at the local level. This environment, for instance the shift away from manufacturing in the U.S., informs developers’ options. .

However, in this thesis, LCC, which describes the decision rules and relationships among decision-makers, differs from an ideology. Ideologies are systems of beliefs underlying an issue, such as economic development. These belief sets establish how an issue is defined and who is empowered to make decisions about it. In the case of economic development, the LCC describes economic development decision-makers and the processes and relationships that are involved in making decisions. For instance, in some places, city governments make these decisions publicly while in other places, they are made privately in chambers of commerce. In each case, however, the decision process is legitimated by an underlying ideology which defines economic development itself. For example, the ideology determines if economic development includes business recruitment, community infrastructure, or developing a workforce.

As Bowman points out, the “role for civic culture is as antecedent, as background and context” (2001, 319). This means that the formal decision-making hierarchies are

overlaid on the local cultural background—and that formal decision power is combined with informal influence to create the unique systems of decisions in each context. Reese and Rosenfeld (2002) examine how economic development decisions are based on the underlying civic culture which is a product of systems of formal and informal governance and community histories of participation (or apathy).

2.1.2.2 “Who” Matters

Who makes decisions does matter: economic development looks differently when communities, businesses, bureaucrats, or politicians make decisions. Reese (1997), in *Local Economic Development* maintains that who makes decisions is of central importance. She argues that local decisions matter, and therefore, since different people will make different decisions, who makes them also matters. Investigating the question of who decision makers are and how they make decisions, Reese and Rosenfeld (2002) conceptualized local civic culture (LCC) to describe the interacting influences over decision-makers’ decisions. The LCC also includes the influences that create decision makers in the first place. In other words, LCC describes the influences which empower and constrain decision makers in given local contexts. This is why examining the decision process itself is so important.

Reese and Rosenfeld (2001b; 2002) maintain that to understand local civic culture, one must understand three factors: 1) where primary power and responsibility for decisions lies (bureaucrats, businesses, chief executive, etc.), 2) the structure of the economic development body (resources, organizational structure, etc.), and 3) the decision-making styles of decision makers (entrepreneurial, rational, community visioning, etc.). In surveys with 987 cities in the U.S. and Canada, the authors examine the relationships between the characteristics of the LCC and the economic development decisions that resulted. They followed up with purposely sampled case studies of nine cities (three each in Michigan,

Ohio, and Canada) that best exemplified a variety of LCCs and resulting policy making. They found that who is involved in the process greatly affects what decisions are made. They note that “[a]lthough business and citizen input are related, they lead to different outcomes.... Citizens press for redistribution and equity goals, whereas businesses press for local business development goals” (Reese & Rosenfeld, 2002, 130). Their study, therefore, illustrates that the outcome of economic development policy will be different if citizens or business interests are prioritized in the process.

Others agree, focusing on how local participation changes the focus of economic development (Sharp *et al.*, 2002; Sullivan, 2004). Sullivan (2004) contends that when citizens are excluded, development projects neglect issues of equity and focus on the needs of community elites. When citizens are included, however, policies are implemented that bring some benefits to average citizens as well as elites (Sullivan, 2004). Sharp *et al.* (2002) concur. They found that a varied local influence over decisions resulted in what they called “self-development” programs while industrial and business recruitment strategies were run by civil servants, business leaders, and other experts distanced from community members (Sharp *et al.*, 2002).

In short, the literature suggests that who makes economic development decisions matters. When elites, such as bureaucrats and business leaders, are included in decision processes, economic development focuses on their concerns. When communities are involved, economic development strategies respond to the needs of community members themselves. However, it is the local civic culture in each particular place that determines who is involved and influential in economic development decision-making. Currently, the economic development theory supports expert- and elite-led systems that marginalize community voice.

2.1.2.3 Elitism: From Politics to Bureaucrats

Scholars in the U.S. recognize a tendency in economic development to “insulate the process of economic policy making from popular involvement” (Kantor and David 1988 qtd. in Wolman & Spitzley, 1999, 255) and to rely on elites for decisions. The discussion now turns to an examination of this elitist tendency.

There has been a noticeable shift in economic development from the belief that local governments and elected officials can spur economic growth to a belief that decision makers must have specific economic knowledge (Blair & Reese, 1999). This shift is due to the shift from community development approaches to more specialized economic development ones (Dewar, 1986; Vogel & Swanson, 1993; Stiglitz, 2002; MacAulay, 2004) as well as the uncertainty and risk involved in economic development (Boothroyd & Davis, 1993; Reese, 1997; Rubin, 1999; Wolman & Spitzley, 1999). Both of these factors have created economic development decision structures that limit local community influence and isolate decision processes from the public.

Though theorists favored community development for a time, Vogel and Swanson (1993) noted a shift in which “emphasis on economic development has replaced the more balanced community development orientation” (188). These authors describe the shift from a focus on a variety of community issues to one prioritizing job creation and increasing revenues, which results in fewer democratic decision processes (Vogel & Swanson, 1993). This move away from democratic decisions is encouraged by many development scholars who believe that particular knowledge and expertise is required for making economic development decisions (Blair & Reese, 1999).

With many economic development scholars, Dewar (1986) supports a position that economic development decisions should be made by professionals and experts who

understand economic theory and analysis. She argued that good economic development decisions, based on technical economic understanding, are likely to be unpopular. Therefore, even with good information, a politician would be unlikely to make the right policies dictated by economic expertise (Dewar, 1986). She critiques Iron Range Resources for this reason. Since elected officials make final decisions, popular but ineffective (or even harmful) policies are often implemented (Dewar, 1986).

The literature suggests that the desire for expert decisions has led to the de-democratization of economic development policy in two ways: 1) economic development decisions are being removed from public bodies with regular citizen participation (Wolman & Spitzley, 1999) and 2) the needs of the community are marginalized in the public process itself (Vogel & Swanson, 1993). The concentration on a limited economic view of a community's needs—one that focuses on creating jobs, for example—automatically reduces local community influence because the majority of community issues and interests (for instance education, community organization and mobilization, and local quality of life) are excluded from the development process (Vogel & Swanson, 1993). When development is narrowly pursued, wide-ranging community goals must be marginalized in decision processes.

Additionally, local communities are marginalized when economic development programming is shifted outside of usual public processes, particularly when it is housed in non-public organizations and public-private partnerships. Wolman and Spitzley (1999, 255) found that

local governments engage in a variety of strategies for limiting public participation, including placing economic development decision making in independent or quasi-independent authorities outside the realm of general-purpose decision-making bodies to which citizens and citizens groups have more structured access.

Removing decisions from citizen review or normal government processes makes it much harder for community members to be involved in or have influence over decisions affecting their communities. Sullivan (2004) confirmed this distance between communities and decisions in a 2003 study of nonprofit economic development organizations (NEDOs). NEDOs are a growing form of economic development organizations that combine public and business sector resources to promote economic growth. They are often called industrial development corporations or economic development corporations. Sullivan (2004) discovered that community elites, those in business organizations and city and county governments, are directly involved in NEDOs but that citizens are only involved indirectly, through their government officials. Previously, governmental bodies led development policy and were ostensibly accountable to citizens through normal public processes. In these new economic development organizations, government officials are no longer directing the work. The new policy-makers, local business owners and other elites, are not accountable to local community members as government officials are. Also, community representatives have less influence in development efforts.

Mier et. al. (1993) described a case in which economic development decisions were removed from government offices to decrease the influence that a new government may have on economic development decision-making. In particular, they examined how new African-American city administrations focused on economic development programs. They found that as the new administrations redirected development efforts toward the needs of community members, city elites, including business owners and former white administrations, responded in two ways: 1) they moved economic development decisions outside the usual governance structure or 2) they challenged the political actions themselves (Mier et al., 1993).

In Chicago, attempts were made to depoliticize (and de-democratize) the development decision-making process. ... [while i]n Richmond the [elite] strategy was to reduce the political strength of the African-American community...then to battle African-American policies in the courts. (Mier et al., 1993, 103)

In both cases, elites limited economic growth to focus on business needs rather than the needs of local communities and their members. Distancing the decision process from the communities was just one strategy to maintain elite control.

Many scholars are concerned about the privatization of economic development resources. Stiglitz (2002) argued that economic development activities that exclude community members rarely help them, regardless of the expertise of those making decisions. He argued that without accountability, experts can and frequently do ignore the effects of economic change on people—their loss of livelihoods and impoverishment—and that these effects are a legitimate concern that should be addressed in economic development (Stiglitz, 2002). MacAuley (2004) agreed that without direct accountability to community members through local public processes and bodies, economic development was not likely to truly address the community's needs or aspirations. For Stiglitz (2002) and MacAuley (2004), better outcomes would result from citizen involvement—outcomes tailored to the needs of local people.

2.1.2.4 Favoring Business Perspectives

"Virtually all of the literature emphasizes the central role of business in local economic development politics and policy making" (Wolman & Spitzley, 1999, 249).

The continuing isolation of economic development policy making from communities and the limited focus on purely economic factors has resulted in a preference for business perspectives in development. This preference has affected policies in which economic development attempts to downplay the role of the state, reducing welfare, infrastructure and

other government works, while focusing on the factors that business supports (such as low- or no-tax policies).

Eisenshitz (1993) notes the growth of business involvement in development initiatives and suggests that this changes the policies that result. He finds that in employment programs as well as other areas,

"Business ...[supports] a bootstrap strategy which sees renewal emerging from the indigenous resources of the locality....business is trying to meet the quintessential social democratic dream of combining welfare and economic development: showing that economic regeneration need not be at the expense of local welfare if it takes the bootstraps path. The local [private] project has replaced the state, and the movement's symbol, the social entrepreneur, has taken over from the bureaucrat: the market is tamed and social benefits gained through enterprise" (Eisenschitz, 1993, 148).

Here he notes that pro-business strategies focus on the market economy and suggest that enhanced reliance on the market is a better tool for development than protection from market cycles. This focus on the market limits economic development to a pro-business orientation, without a real understanding of how the fluctuating market affects community members.

Another reason that economic development favors business is due to the relationship between the inherent uncertainty in development ventures and the professional roles of developers. At the foundation of the economic development ideology is the idea that developers are experts who can improve their communities' economies where non-professionals would fail (Boothroyd & Davis, 1993). This is one justification for moving economic development decisions out of mainstream political bodies, i.e. city governments. The greatest weakness of this position is that economic development projects and programs do not always achieve their goals. In these cases, developers must explain their failure in spite of their expertise. Wolman and Spitzley (1999), Rubin (1999), Reese (1997) and others note that due to this risk, economic development decisions become ritualized and

formalistic—where following the procedures can get in the way of innovation or analysis. Economic developers face great uncertainty about the future and often lack an exact science or methodological expertise to perform detailed economic analysis. Therefore, they are unable to rely solely on economic analysis and their decisions are made through a system of protocols based on lessons learned for successful economic development programs. These protocols may be a series of forms that must be filled out, due diligence that must be performed, or steps that must be approved before action can be taken. Protocols can help ensure the feasibility of a project, but when developers have to be concerned with the steps rather than with the ultimate goal of meeting community needs, protocols can become a problem.

Wolman and Spitzley (1999) note that "most economic development policy activity is a combination of a few 'big events' and many routinized decisions and day to day actions. And such routines are the province of professionals and bureaucrats" not local community members (253). Reese (1997, 84) agrees, noting "that economic development policymaking tends to be heavily influenced by bureaucratic or professional actors and *is based more on decision rules or procedures than rational analysis*" (Reese, 1997, 84, emphasis added). She recognizes that rational economic analysis may be side-stepped and that following the rules or procedures can take precedence over analytical decisions. So while economic development theory is concerned with economic expertise, in practice, expertise can be reduced to following protocols.

The tendency to rely on protocols is due to "[t]he uncertainty and risk involved in economic development decision making [which] lead professionals to resort to standard decision rules and formalistic or symbolic behavior" (Wolman & Spitzley, 1999, 257). Rubin (1999) showed that this uncertainty resulted in economic development strategies which cater

to business interests. He found that economic developers work with the risk of the private sector but the scrutiny of the public sector (Rubin, 1999). In this environment, economic development can only be successful if businesses participate (Rubin, 1999). This makes developers dependent on business and encourages them to focus on business needs rather than community ones (Rubin, 1999). This bias is hidden in “the day-in-day-out relationship that emerges as the practitioner tries to survive in a difficult work environment” (Rubin, 1999, 275). According to Rubin’s (1999) findings, while some economic development professionals can provide site lists or other information about the community to interested businesses, these activities can become a mire of bureaucracy. Though these tasks are important to economic development efforts, they can hinder innovative, analytical approaches. The bias is that these professionals provide the information to the business community that businesses want—reducing communities to their business-friendly tax structures or low wage rates (and low standards of living) rather than focusing on community members’ values, needs, and goals. The challenge is that meeting business needs, while complicated, is much easier than grappling with the intricacies of the community’s entire social structure.

Because these administrative tasks, i.e. maintaining site listings, are often under the radar and hard to see, developers need to show some concrete economic development success. Rubin continues

[s]till, both ego and, perhaps, maintaining their jobs require visible successes, successes that are obtainable only with the cooperation of businesses, especially those about to relocate or expand. Accordingly, these practitioners require ways of claiming credit for visible outcomes....Such attempts to have available a set of activities helpful to the business community leads economic development practitioners to act as a pressure group to provide incentives to the business community....The bias toward business emerges because it makes the practitioner appear as if he or she is accomplishing something (Rubin, 1999, 275).

This bias is very subtle: “the sum of many small decisions rather than one or two dramatic capitulations” (Rubin, 1999, 275). The business bias is a coping strategy used to demonstrate success where such success is less visible in other development policy arenas. Hence, the dominant ideology of economic development distances development decisions from local communities, is run by elites (considered “experts”), and favors businesses over community needs.

2.1.3 Movement Toward Local Involvement

Critiques of economic growth and its many failures, and especially its inability to distribute the benefits of growth throughout a community, have resulted in a number of more localized economic development approaches. These are approaches which focus economic development aims on community members themselves. From entrepreneurialism and the Third Wave approaches which adapt traditional economic development strategies more precisely to local community contexts, economic development practitioners incorporated more mechanisms for local communities to have input in decision processes (Blair & Endres, 1999; Clarke & Guile, 1999; Eisinger, 1999). Two approaches focus specifically on involving community members in decisions: Community-based Economic Development (C-BED) and Community Economic Development (CED). These deserve quick mention because they challenge the predominant ideology by creating more explicit ways for local communities to be involved in economic development.

The difference between traditional economic development as growth and alternative C-BED and CED perspectives is the holistic and integrated approaches of the latter. C-BED “starts with a community’s own definition of their economic problems and seeks to tackle these through initiatives that make sense to this community” (MacFarlane, 1993, 176). This approach assumes that economic development is unequivocally linked with other social

and structural problems and therefore cannot be tackled independent of these issues (MacFarlane, 1993).

Starting from the same foundation, CED goes even further. Its underlying assumption is that participation is more effective than traditional industrial development which

“emphasizes economic growth by attracting industrial firms, with little input from, or concern for, non-economic impacts on the community.... If CED stems from the economic development paradigm, including a community development element suggests a synergy to meet the economic, social, cultural and environmental needs of the community in a holistic long-term planning horizon previously ignored by either the community or the economic development approaches.” (Koster & Randall, 2005, 45).

The CED view expanded and has been divided into sub-approaches, each with different goals. Boothroyd and Davis (1993) and Koster and Randall (2005) created typologies that highlight different levels and types of local participation. Those ways in which local communities participate in the policy-making process, input mechanisms, demonstrate the importance of who makes development decisions. Cummings (2001) traces these approaches to the concept of “community control” that formed the basis of the Community Action Program of 1964. This “was designed to increase neighborhood control over the implementation of antipoverty efforts by delegating authority to community action agencies to conduct programs in the areas of education, health, job training, housing, social services, and economic development” (Cummings, 2001, 415).

The critique of expert- and elite-focused economic development processes that led to CED and C-BED approaches is evident in other policy arenas as well. Across the spectrum of social policy, public participation is seen as key because elite decisions have not always been able to solve social problems. A literature on public participation has been created by scholars concerned with this. These scholars examine the influence community

members can have over decision processes and the ways and purposes for them to be involved in different contexts. The research analyzed public participation at Iron Range Resources using this literature as background.

2.2 PUBLIC PARTICIPATION

Participation in public decisions has been a major focus of Political Science, Sociology, and Community Development among other fields. The literature in these areas has much to offer the discussion on economic development decision-making. For example, in environmental planning, theorists recognize that expert- and elite-driven decision-making strategies can produce poor outcomes because “they de-emphasize the consideration of affected interests in favor of ‘objective’ analysis” (Renn *et al.*, 1995a, 1). As such, “they suffer from a lack of popular acceptance” and “they slight the local and anecdotal knowledge of the people most familiar with the problem” (Renn *et al.*, 1995a, 1). These critiques are similar to critiques of elitist economic development decision making described above.

2.2.1 Levels of Influence

The literature on participation in decision-making reveals there is great variability in the influence that the public has over the decision process. In some cases, community members are formal decision-makers; in others they have an opportunity to examine and comment on proposed policy; and in still others, they can gain information about programs available to them. Sullivan (citing Gaunt, 1998, 2004) describes a typology of these levels of influence:

“(1) *Informational participation* means that citizens receive information from [decision-makers], for example information about upcoming development projects and the amount of public money that will be used. Although this level of participation is the least influential of the three, it does allow citizens to serve as “watchdogs” (Burke, 1983), and it may lead to more active citizen participation in the future.

(2) *Review participation* refers to citizens not only obtaining information about development projects but also commenting on the proposed projects before they

are implemented. This level of participation allows citizens to express their needs and interests, which may be different from those of business leaders (Abatena, 1997; Daley & Marsiglia, 2001), and to evaluate whether the project will satisfy those needs. The limitation of review participation is that citizen participation is merely reactive; they are not involved in designing the development projects.

(3) The third and highest level is *interactive participation* whereby citizens are involved in development projects from the early stages. They help define the problems and needs of the community and participate in designing projects that can meet those needs.” (61)

These different forms of participation clearly indicate different levels of influence in the decision process. Informational participation is passive; community members receive information but have no effect on decisions themselves. Review participation is reactive; problems have already been formulated, decisions made, but community members can attempt to advise decision-makers before decisions are finalized. Interactive participation is active. Community members are part of the decision process from the very beginning. They not only make decisions, but they also help to define problems and goals and to design the projects to address their needs.

2.2.2 Purposes and Mechanisms of Participation

There are a variety of reasons the public is included in decision processes and a variety of ways, or mechanisms, in which they may be included. These input mechanisms affect who participates and how much influence they have over decisions. The interaction of mechanisms and purposes are what define the influence participants have in the process.

Different decision-makers have different reasons for including the public in decision processes. Renn et al. (1995a, 5) note that “[a]dministrators, citizens, stakeholders, and experts may all desire participation, but for quite different reasons”. These reasons include uncovering the perspectives of community members to add ideas to the process, democratizing the decision process, or redistributing social power. For bureaucrats in particular, participation is often an instrumental means to prevent public dissent. As Renn et

al. (1995a) state, “participation is organized only to inform decision makers...[or] to acquire the public support necessary to implement policy” (6).

The purpose of seeking public participation is directly related to the forms that participation takes. Table 2.1 summarizes Cornwall’s (2003, 1327) typology of participation modes. Below, these concepts are related to economic development.

Table 2.1: Participation Typology as Described in Cornwall (2003)

Mode of Participation	Associated with...	Why invite/involve? [purposes]	Participants viewed as
Functional	Beneficiary participation	To enlist people in projects or processes, so as to secure compliance , minimize dissent, lend legitimacy	Objects
Instrumental	Community participation	To make projects or interventions run more efficiently , by enlisting contributions, delegating responsibilities	Instruments
Consultative	Stakeholder participation	To get in tune with public views and values, to garner good ideas , to defuse opposition, to enhance responsiveness	Actors
Transformative	Citizen participation	To build political capabilities , critical consciousness and confidence; to enable to demand rights; to enhance accountability	Agents

2.2.2.1 Functional Participation

Reese (1997) noted that public participation in economic development planning can “be used as trouble shooters and to provide support for projects” (89). In this role, community members are seen as objects and participation is designed to minimize conflict and give legitimacy to the decisions made by the agency. Here, the agency is attempting to avoid conflict or opposition and smooth the process for bureaucrats. When envisioned functionally, public participation can be used to ease the functioning of an economic development body.

2.2.2.2 Instrumental Participation

Instrumental participation can be described as using participants to assist decision makers. Here, community experts, those residents with skills desired by the agency, might

find themselves in advisory roles, suggesting improvements in projects for technical efficiency. The volunteer contributions of participants make implementation easier for developers—such as community engineers doing structural analysis while decision makers focus on goals or planning issues. Many technical advisory committees would fall under this instrumental heading. Basically, the public is perceived as a tool to be used in accomplishing the goals of the agency and the expertise of specific community members is emphasized.

2.2.2.3 Consultative Participation

The idea of consultation rests on the concept that decision-makers do not have all the information needed to make good decisions. The question is one of efficiency and the public is included to add more knowledge to the available resources. Sullivan (2004, 58) emphasizes the consultative role when he suggests that “citizens can help identify community needs, articulate development goals to meet these needs, and contribute their knowledge and skills.” Likewise, King & Hustedde (2001) see local participation as adding information to the decision process: “[c]itizen engagement is crucial for helping community leaders identify issues and *make good decisions*” (1, emphasis mine). They give three reasons for citizen participation; the latter two clearly suggest a consultative perspective (the first is transformative as will be discussed in the following section):

[F]irst, if a democracy is going to thrive, it rests on citizen involvement, without which democratic ideals will erode. Second, some elected officials have drawn lessons from more progressive firms that involve workers as problem-solvers and visionary thinkers. More people involved in problem-solving and analysis can lead to added creativity, more insights and better decisions.... Third, citizen involvement can lead to greater ownership of local issues and problems with a more realistic understanding of the limitations often placed upon those in power positions. (King & Hustedde, 2001, 5-6)

Creating a new tool for economic development strategizing in rural U.S. communities, Buescher et al. (2001) note “that for rural development efforts to be sustainable, all interested members of the community must be involved in the decision

making” (68). These authors critique expert- and elite-driven economic development methods because they ignore community goals (Buescher *et al.*, 2001). For them, economic development is more effective when local community perspectives are included.

Reese and Fasenfest (1999) also highlight the added efficiency of consultative participation. They propose increased local involvement in evaluation of economic development because the expert measures, such as job growth, might not match the desires of the local community (Reese & Fasenfest, 1999). Rather, the needs of locals should be taken into consideration in the formulation and evaluation of economic development initiatives.

The commonality for these authors is that local participants are key to helping decision makers make better decisions. It is a question of efficiency: the more information in the process, the better decisions can be. However, this view does not suggest that community members should be involved in decision making or strategic planning directly—rather they should inform the decisions made by those in control of the process.

2.2.2.4 Transformative Participation

Transformative participation claims that local participation is an opportunity not only for assisting decision-makers, but for building greater citizen capacity for public engagement. Based on the notion of participatory democracy, “[c]itizen involvement is essential for genuine local and representative democracy to develop” (Sullivan, 2004, 58).

According to Brett (2003), stronger levels of participation in which agencies cede some control over decisions to community groups have many advantages as “a way to expand people’s capabilities, increase their self esteem, and improve performance by obliging agencies to involve users in decision-making through participatory research, and by

subjecting their activities to direct popular control” (6). This view suggests that participation is a key part of a strong democracy and strong decision-making.

However, transformative participation does not require that citizens have control over decision processes, but rather that they are included in meaningful dialogue about community policy. Transformative participation is vital not only because it ensures that community interests are taken into account (Stiglitz, 2002), but also “it is only through participating that individuals develop a political dimension to their being” (Renn *et al.*, 1995a, 351). Sullivan (2004) agrees in his critique of non-profit economic development organizations. For him, more participation is beneficial because “citizen participation in city government decision-making is an essential element of genuine democracy” (Sullivan, 2004, 61). As he examined the shift from public decision-making organizations to semi-private ones, he saw economic development moving from a transformative decision-process (a public one) to a more instrumental or functional one (Sullivan, 2004). He supports participation in public processes as a way to increase citizen capacities and expand democracy.

In summary, economic development participation can take a variety of forms: from communities who are actively engaged in the programming dialogue to others who are marginally informed to reduce dissent. Decision makers create input mechanisms which allow for the modes of participation they desire for easing their policy-making responsibilities.

2.2.3 Issues and Participation Modes

While there are a variety of participation modes and purposes, different modes are appropriate for dealing with different public decision-making situations. Renn *et al.* (1995a) note that public dialogues can be framed in three ways: 1) as issues of knowledge and

expertise; 2) as issues of experience and trust; and 3) as issues of worldviews and values. The first are situations which are framed as factual arguments about causes and effects and are “primarily characterized by solutions driven by expertise” (Renn *et al.*, 1995a, 355). In these situations, functional and instrumental modes of participation are seen as being appropriate for informing the public of the issues and the decisions made. This is what Sullivan (2004) called informational participation. Situations can also be framed as a dialogue about the public’s trust in government institutions to deal with a problem (Renn *et al.*, 1995a). Rather than technical information or education, “the emphasis is on achieving mutual awareness of each other’s expectations and a commitment to the principle of reciprocity” (Renn *et al.*, 1995a, 355). Here, public participation is concerned with building citizen trust and confidence in the institutions as well as building bureaucrats’ trust and confidence in the citizens (Renn *et al.*, 1995a) and may use instrumental and consultative modes of participation to allow citizens some review influence. Finally, when a situation revolves around competing worldviews and values, “neither technical expertise nor institutional competence and openness are adequate conditions for reaching collective agreement. [Rather,] decision making here requires a fundamental consensus on the issues that underlie the debate” (Renn *et al.*, 1995a, 356). These situations would likely call for transformative modes of participation and interactive influence because an inclusive ideology must be built to frame the dialogue.

It is important to understand how different policy dialogues can affect the types of participation valued by decision makers and participants. How an issue is framed is vital to how it will be addressed. For example, assume that an economic development agency proposes to fund a new factory building. It is in the interest of some to frame the issue as one of facts and expertise, e.g. how many employees might be hired, how much return on

investment expected, or how the project will be monitored and enforced. However, if residents do not trust that the factory will hire from the local community, they may be concerned that the agency is giving too much and getting too few guarantees from the company. Another example might be that they do not believe that the waste from the factory will be harmless to their living environment. This is an issue of trust. Finally, there may be members of the public who feel that this factory is the wrong kind of economic development for their community—they may disagree with the emphasis on jobs, believe that the real problem is a lack of community infrastructure, or want to emphasize developing the natural features of the community for tourism instead. This is an issue of values and worldviews. Because issues framed around knowledge and expertise privilege the perspective of decision makers, it is in their interest to frame economic development decisions as ones about expertise. When framed in that way, it is appropriate that the public have little influence because they are not considered to be experts. Accordingly, participation focuses on informing locals on the technical aspects of the project, not engaging them in a dialogue about what it should be. The importance of this framing will be integral to the examination of Iron Range Resources.

2.2.4 Critiques of Public Participation

Just as motives to include the public come from different viewpoints, so too do critiques of public participation. From an economic developer's perspective,

in the very act of seeking this support [of their policies through public participation], officials often encounter—and may even contribute to the development of—public opposition. This opposition is not easily transformed into policy adjustments or alternatives. In short, administrators cannot do their jobs (Renn *et al.*, 1995a, 6).

By carefully controlling public participation in advisory boards, decision-makers can protect themselves from more public opposition and increase their ability to do their jobs

(Reese, 1997). Thus, input mechanisms are often carefully designed to align with the goals and programs of policy-makers.

Another challenge to public participation is that some communities lack mechanisms for transformative and consultative forms of participation. Clarke and Guile (1999, 174) maintain that “few current American political institutions are geared to the consensual, cooperative decision processes demanded by” transformative and consultative participation. Even if there is desire for more transformative public participation, decision makers might be unable to encourage such participation because the mechanisms for it do not exist.

Just as economic developers have focused on the need for expertise, critics of participation highlight the need for expertise as well. Beaulier (2004) is among those who believe that “[i]f the average citizen is involved in the discourse, many more ‘free lunch’ policies—lacking in economic insight—might result” (352). He suggests that opening decision processes to public participation means that fewer economically efficient decisions would be made. Rather, the public would make policies that are self-serving, such as low-property taxes but high expenditures (Beaulier, 2004). Or communities might give out resources in ways that professionals would not consider conducive to economic growth—perhaps through resident tax rebates instead of business recruitment plans.

The debate over whether community members should be involved in decision dialogue is a polarizing one. “What has resulted is a standoff between government administrators on the one hand, who offer participation opportunities with no real power to citizens, and locally-impacted citizens on the other hand, who block projects through other means such as protest and complaint” (Renn *et al.*, 1995a, 7)¹. This dichotomy is

¹ These authors critique participatory processes not on how each actor fares in the outcome, but on how the processes lead to shared understandings of common interests. Webler (in Renn *et al.*, 1995a, 9) bases this process critique on Habermas and suggests that “the key is critical self reflection. Habermas promotes

unproductive for accomplishing economic development goals and neglects the continuum of mechanisms for community participation in public policy dialogue. A variety of input mechanisms combine public participation with elite and expert decision processes.

Understanding how these mechanisms assist or challenge the policy dialogue is key to understanding how participation works in different contexts.

2.2.4.1 Input Mechanisms for Communities

The ways and opportunities for community members to be involved in public policy decision processes, including program and project planning, are referred to as “input mechanisms.” Common input mechanisms in the U.S. include public meetings and hearings, workshops (where experts or officials educate the public), citizen referenda or initiatives, and a variety of advisory boards and councils. As indicated above, each allows for different levels of influence and includes participants in different ways and for different purposes. Renn et al. (1995a) studied a number of input mechanisms focusing on how inclusive they were and what kinds of participation they engendered. They found that though public meetings (workshops, hearings, forums, etc.) are quite inclusive, they allow for little influence or opportunity for meaningful dialogue (Renn *et al.*, 1995a). Whereas government officials might view low public attendance at such events as the public’s consent to the policies of the agency, citizens are often discouraged by their lack of influence (Renn *et al.*, 1995a). Citizen initiatives, grassroots attempts to change the legislation surrounding a public issue, are usually outside of the formal governing structure and often have more influence than public forums (Renn *et al.*, 1995a). However, participation may be uneven in initiatives as only those particularly concerned with and motivated by an issue are likely to be involved.

introspection among free and autonomous beings so that they will think about the type of society that they want, before committing to new relations. Public participation can and should be a means to realize the critical awareness.” Here, public processes should engender a discourse “wherein values and norms themselves are discussed and agreed upon in a setting free of any kind of coercion” (Renn *et al.*, 1995a, 9).

Finally, citizen advisory committees are a common input mechanism. These committees may have considerable influence in both formal and informal decision processes, but participants are usually chosen by elites and often limited to people similar to and trusted by other decision makers. Because Iron Range Resources uses a number of these committees, they were examined in more detail.

2.2.4.2 Citizen Advisory Committees

Citizen advisory committees (CACs) are a common method of involving local community members in public decision making and are commonly used in a variety of economic development contexts (Reese, 1997). Iron Range Resources uses a number of CACs in their decision processes, including ones required by law (the Technical Advisory Committee) and more informally appointed ones (e.g. the Partners Advisory Committee). In their extensive evaluation of input mechanisms used for environmental remediation, Renn et. al (1995a) examined CACs and found that:

- The sponsoring agency defines the role and tasks of the CAC. Members may set their own agenda (within the limits of their role), meeting times, etc. and usually have a set time period of regular meetings to accomplish their mission.
- CAC membership is restricted and usually specially selected by the sponsoring agency (or through volunteering); the public is either not welcomed at meetings, or not allowed to comment during them (unlike public hearings or meetings).
- “Membership of the committee [CAC] is typically chosen from among the leaders of the community. They belong to the same class of elites as the governmental officials, experts, and stakeholders. They are more apt to rely on instrumental understandings of the problem and downplay the value of anecdotal evidence and competing normative argument” (342).

- CAC members are usually not hierarchically organized, although a chair may be appointed to serve as a liaison with the agency, and decisions are often made by consensus. However, false consensus may be reached if facilitation does not give time to alternate viewpoints.
- CACs are dependent on their sponsoring body, so that their information comes from the agency, and if they become unmanageable or disagreeable they may be disbanded, ignored, or cut off from the agency.
- CACs have no structural requirement to consult experts or other stakeholders, though some may choose to do so. Nor are they encouraged to raise deeper or underlying issues with the agency.
- CACs are not required to come to any common understandings of the factual or normative issues at stake.

2.2.4.3 Picking Participants

As policy-making moves to more locally-controlled, democratic decision processes (as described in Kaufman & Alfonso, 1997; Gaventa, 1999; Gaventa *et al.*, 2002; Jones & Gaventa, 2002, among others), there is corresponding attention paid to who is choosing participants. This is particularly true if participants will have unique access to the decision process. Decision makers choose participants, or “target” them, based on the purpose of the participatory mechanism as well as the level of influence desired. For example, instrumental participation targets those with the specific expertise desired by the agency, while transformative participation invites a variety of community members to participate. MacAulay (2004) critiques targeted participation because it

limits the range of legitimate leadership [of economic development efforts] by privileging people in the community who share a common worldview and language with these external agencies. Attempts to secure community autonomy and meet

people's needs through the forging of an inclusive agenda are emasculated by the involvement of powerful outside class forces (454).

MacAuley (2004) highlights that the ideology that privileges elites continues to dominate, even when local participation is a priority, because those choosing participants are still making the decisions. For him, genuine representative democratic participation is the only way to overcome the elite bias in economic development (MacAulay, 2004).

Others also critique the idea of targeted participation in CACs. Renn et al. (1995a) note that

the experiences with CACs...tend to show, however, that deliberate selection of group representatives as well as volunteering lead to serious distortions of public values and interests....

Furthermore, if participation is left up to voluntary selection or appointment, onlookers may be cynical of the participants because either they appear privileged (by appointment) or too ambitious (through volunteering). (353)

Here we see again first, that elites choose participants who think like them and thus a biased view of local values, needs, goals, etc. results and second, that distrust is caused by targeted participation.

2.2.4.4 CACs as Participation Mechanisms

As do other input mechanisms, citizen advisory committees have the potential to be used for informational, review, or interactive levels of influence and to support any of the modes of participation. However, Renn et al.'s (1995a) in-depth study of CACs found that they are "appropriate for both disputes over facts (especially the technical advisory committees) and disputes over trust" (359). This is because the processes are usually long-term and participants may learn a great deal about the work—what Sullivan (2004) would call informational influence. Also, CACs allow participants to build trust with the agency members with whom they work over that time. Similarly, CACs described by Renn et al.

(1995a) are usually functional and consultative in that they are used to overcome or diffuse opposition and to add some public perspectives to the decision process.

Because CACs are effective when dealing with expertise and trust they can be used by decision makers to reduce issues of values to facts. Conflict between experts and communities over what is necessary and desired is common. In environmental remediation work, for example, scholars have investigated this conflict between experts and communities extensively and can inform the economic development literature. Examining a communication program designed to educate community members about an environmental remediation project, Satterfield and Levin (2002) noted that

much of the public disagrees with the expert community....Scientists and regulators have often viewed this distrust and difference of opinion as either 1) a problem of scientific and technical illiteracy on the public's part (a failure to understand the science and hence a fearful or resistant attitude), and/or 2) a problem of poor quality education and communication on the part of experts (8).

However, these authors found that when given scientific and technical training, community members used their new-found scientific knowledge to support their own underlying values rather than to agree with the experts. Thus, in this example, experts viewed environmental remediation as an issue of technical knowledge, and considered their allowable limits of toxins to be scientifically correct. However, they found that community members had different values for what a clean and safe community would be, and that even with scientific training, the community continued to advocate for lower limits for the toxins. What this demonstrates is that experts frame issues around their expertise, because they believe they know the correct answer to the problem. However, if the situation is one focusing on values, it cannot be resolved with technical knowledge. This applies to economic development decisions as well as other public decision processes. If experts frame the question, economic development becomes a process about technical details such as how

many jobs or how much tax abatement. Questions about whether economic development should be focusing on jobs or not and even whether the community wants this type of economic development remain excluded from the dialogue.

This section outlined the forms, purposes, and influence of public participation in decision making. It also examined the role and characteristics of community advisory committees. Finally, it reviews the matters of who is chosen to participate and how. Because participation empowers some and marginalizes others, the discussion now turns to an examination of how power in decision processes can be conceptualized by and hidden in economic development ideologies.

2.3 IDEOLOGY AND POWER IN DECISION MAKING

When examining issues of decision-making and how they are framed, the analysis becomes focused on power. Those who make decisions have formal power (due to their decision role in the organization) and those who can influence decision makers have informal power (due to their place in the LCC). Additionally, those who frame the issues and build ideologies have considerably more power than those who can only work within the framed context (Gaventa, 1980). The power to influence the actions of other agents is coercive power, often hidden in ideologies that privilege the knowledge of the powerful over the knowledge of the less-powerful and legitimate the marginalization of the latter in decision-making processes.

2.3.1 Coercive power

Wartenberg (1991) notes that “coercive power can be exercised by an agent if (1) she is able to alter the set of action-alternatives available to another agent, and (2) she uses this fact to make a threat to that agent” (Wartenberg, 1991, 96). What he means is that one’s ability to influence another formally, i.e. making economic development decisions, can also

give one the ability to coerce others who depend on the formal decisions. Coercive power is the power to make threats—either explicitly or implicitly—and to influence others due to those threats. In economic development, businesses might wield coercive power if they threaten to relocate. They are more or less influential based on the role of the business in the community and the connections they have to the decision-making bodies.

Power is important to economic development. Basically,

the end result of power is to be able to marshal resources to achieve social ends. In sum, public policies are shaped by the following three elements:

1. The composition of a community's governing coalition,
2. The nature of relationships among members of the governing coalition, and
3. The resources that members bring to the governing coalition. (Reese & Rosenfeld, 2002, 30).

For Reese and Rosenfeld (2002), these powerful governing coalitions are dependent on the local civic culture. In effect, agents are powerful (or influential) if they can bring a great deal of resources to the process, resources they can use to influence decision makers—and the resources are part of the LCC. Decision makers are powerful due to their role as decision makers, but a decision maker who can marshal social resources may be more powerful if she is able to coerce other decision makers to her side.

Wartenberg (1991) notes that coercive power is aided by the creation of an ideology. This is similar to Lukes' third face of power (Gaventa, 1980) whereby subordinate actors do not recognize, or may even buy into, their own subordination.

Because coercive power occasions resistance to its exercise, an agent with coercive power has reason to seek a means to reduce such resistance. One way to do so is to obscure the nature of the relationship between herself and the subordinate agent. That is, a dominant agent has a reason to seek to develop misunderstandings among subordinate agents about whether they are actually being coerced (Wartenberg, 1991, 102-103).

The review has already explored how, using the explicit idea of expertise, elites have marginalized local citizens in economic development. These ideas are part of the ideology that underlies and legitimates the decision process.

2.3.2 Ideologies

Foucault (1980) explained that power is self-sustaining through its construction of discourses (what are called ideologies here), the systems of concepts that define how people think about an issue. He argues that as knowledge is deemed “truth,” other similar knowledges are also validated, reinforcing the power of those who hold those types of knowledge (Foucault, 1980). This discourse privileges one form of knowledge over another, defining what issues are appropriate to address, how they should be addressed, who should address them, etc. From the literature, the economic growth ideology limits what type of programs and projects are eligible to be called “economic development,” privileges business knowledge over community knowledge and expert over local experience, and determines that developers should make economic development decisions.

These underlying ideologies frame discussions and those in power attempt to reinforce ideologies that privilege their positions. This framing distances decision making from the public. Renn et al. (1995a) explored this when discussing their typology of public policy-making situations discussed earlier in this chapter.

Often business and government attempt to re-frame higher level conflicts into lower level ones: third level conflicts [over worldviews and values] are presented as first [knowledge and expertise] or second level [experience and trust] conflicts, and second level conflicts as first level. This is an attempt to focus the discussion on technical evidence, in which the agency is fluent (Diets et al. 1989). Citizens who participate are thus forced to use first level (factual) arguments to rationalize their value concerns. Unfortunately, this is often misunderstood by experts as ‘irrationality’ on the part of the public. Frustrated, the public retreats to due process and routinization of the process, abscising it of substance, and departs with disillusion and distrust of the system. (Renn *et al.*, 1995a, 357)

Since elites frame the discussion, citizens are forced to work within the elite ideology to address their concerns. In this way, local concerns about issues of values are marginalized and re-framed into issues of expertise. This is the problem that Satterfield and Levin (2002) examine when noting that educating the public about toxin levels did not bring them into alignment with expert opinions. Though community members were trying to use the language of the experts, they still pushed for stronger and tougher regulations because the underlying issue was one of values and the local values differed from those of experts.

2.4 RESEARCH QUESTIONS FOR THIS STUDY

While the economic development literature has begun to focus on how local participation is structured, it has largely neglected the power implications of this structure. The public participation literature has examined how the public may be involved in decision making and how mechanisms for participation may be used to empower or marginalize local communities. This study draws on the strengths of these two literatures to focus on how particular input mechanisms (especially community advisory committees) interact with formal decision structures. It also aims to discover who is empowered and marginalized in the process.

Reese (1997) highlights the lack of attention to economic development decisions: “most research has ignored several fundamental questions: who controls such decisions? what are the relative impacts of external forces and internal actions? and, how are decisions actually made?” (80). In their book detailing local civic culture, Reese and Rosenfeld (2002) focus on the roles and influence played by those in formal positions of power, the decision makers. They recognize the importance of examining who is making these decisions. They also recognize that the influence of these people goes beyond the formal hierarchy or

structure of the organization and has to do with the ideologies underlying decision-making processes.

Reese and Rosenfeld (2002) delve into the formal governance of economic development and they focus on decision makers. They do not focus on how local communities themselves engage with the decision process or their influence in it. In fact, they noted the difficulty with measuring citizen input: “[i]nput mechanisms can be confused with actual input or actual influence” (Reese & Rosenfeld, 2001b, 305). This study shifts the focus from how the local civic culture affects those in formal decision-making roles to how it plays out in the ways that local communities interact with the formal decision process. Specifically, THE RESEARCHER examines input mechanisms and their use in order to understand how communities influence policy decisions. Thus my first research question asks:

What are the input mechanisms available to local communities in Iron Range Resources’ economic development decision process?

The shift to looking at local communities and their interactions with the decision makers is vital to understanding the implications of economic development. Wolman and Spitzley (1999) noted a need to contrast different actors, including officials, experts, and lay people, as well as to increase understanding of local actors and their roles in the process. For this reason, the research focuses on those who make decisions at Iron Range Resources, including agency administrators, and appointed legislative and citizen board members. It also explores how local community professionals, business leaders, and community members interact with IRR decision-makers. Since it is important to focus on who makes these decisions, it is equally vital to investigate who influences them. This examination shows how

this influence is structured in these communities. The second research question addresses these issues:

Who influences the process? What influence do local communities have in IRR decisions?

While examining how local communities interact with formal decision-making processes, it became clear that LCC is based on ideologies which frame how economic development is conceptualized. Thus, the project examines the underlying ideologies behind economic development on the Iron Range, which not only structure who makes decisions, but also who can harness the most resources to influence the process. In doing so, the research uncovers the ways in which local communities are marginalized and empowered.

The research attends to this with the final research question:

Why are input mechanisms and influence structured in this way?

3. METHODS

The overall goal of this research was to examine the influence that community members have on economic development decisions at Iron Range Resources. This work takes a qualitative approach because it investigates how decision makers understand their roles and the roles of community members in the decision processes. Investigating the local civic culture in economic development entails understanding the inner workings of the decision process. It requires examining who uses which mechanisms, in what ways, and why they use them as they do. Maxwell (1996) notes that one of the strengths of qualitative research is its unique ability to uncover meaning, what he calls “cognition, affect, intentions and anything else that can be included in...the ‘participants’ perspective” (17). This participants’ perspective, the perspective of decision makers at IRR, was precisely what the project aimed to illuminate. Additionally, qualitative data “emerges from the researcher’s observations and interviews out in the real world rather than in the laboratory or the academy” (Patton, 2002, 9-10). Therefore, the research used interviews and observations to elucidate why participants were involved with the agency.

3.1 DATA COLLECTION

Data were collected from many sources to address the research questions about public participation at IRR. First, documents on the IRR were collected to understand the “official story” of the decision process at IRR. These documents included newspaper articles, scholarly journals, and government publications. Second, the bulk of the empirical data was collected through in-depth interviews with people engaged in the Iron Range in a variety of capacities. Third, observations of citizen advisory committee meetings were also conducted. Finally, public meetings were held to discuss the results with community members.

3.1.1 Document Analysis

First, to understand how Iron Range Resources functions, the project examined the existing formal as well as grey literature about the agency and region. The research focused on the historical interactions of IRR with local communities. Over 60 public documents regarding IRR programs, projects, and mandates were reviewed. These included historical publications by IRR and other government agencies as well as countless newspaper articles from the last decade. Additionally, the data included the past ten years of the agency's biannual reports and its website to describe the "official story" of the agency and how it functions. Much of this information is presented in Chapter 4.

3.1.2 In-depth Qualitative Interviews

Most the data were collected in in-depth, open-ended interviews with purposely selected subjects. Forty-eight interviews were conducted with 47 informants in the summer and fall of 2004, and two follow-up interviews with earlier informants were conducted in the summer of 2005. These interviews elicited detailed information about how the agency worked with local communities and how local people were included in the agency's decision process. The interviews averaged about one hour each, with a few as short as 35 minutes, and one that lasted over 1 and ½ hours. Before beginning the interviews, informants were given consent forms that they read and signed to indicate their willingness to participate. The forms notified informants about their risk in participating, explained the purpose of the research, and provided contact information for both the researcher and the UCRIHS board at MSU. See Appendix 7.1.1 for a copy of the informant consent disclosure statement.

The interviews were conducted in four stages, summarized in the following table and detailed in the following sections.

Table 3.1: Data Collection Process

Collection Stage	Purpose	Data Collected
Stage 1	To find key informants and learn more about the IRR decision process	4 key interviews
Stage 2	To understand the decision-making process at IRR and the thinking of decision makers	8 IRR high-level staff interviews 7 IRR board member interviews
Stage 3	To understand the input of citizens with a focus on the role of citizen advisory committees, (using the Partners Advisory Committee) and To understand the input of local elites from the business and economic development arenas	2 interviews with mining-dislocation professionals 18 PAC member interviews 6 local business owner interviews 2 local economic development agent interviews 1 TAC member interview 2 observations of PAC meetings
Stage 4	To get feedback on preliminary findings	2 public meetings 2 interviews with former PAC member informants

3.1.2.1 Stage 1—Identifying Key Informants

Field research began with semi-structured topical interviews (Rubin & Rubin, 1995) with key informants who work at the IRR and those “on the outside” who work with it. Key informants were suggested by Dr. Peter Kakela, a member of the research committee who has been involved in research on the Iron Range for decades, and a regional venture capitalist, Al Rogers² who had partnered with IRR on a variety of development projects and was deeply familiar with its work. The goal of these interviews was to gain an in-depth understanding of how the agency functions officially and the public’s perceptions of the agency. Key informants included a long-time reporter in the area whose beat included the IRR, an educator who had been involved with IRR re-training projects, a long-time community leader, and an interested IRR staff member. (See Appendix 7.1.3.1 for a copy of the interview schedule used for these interviews.)

² This and the names of all other informants are pseudonyms to protect the confidentiality of informants.

3.1.2.2 Stage 2: Understanding Decision Making at IRR

With a basic understanding of the official processes and programs of IRR, the researcher interviewed key decision makers within IRR to understand the decision process. These were both topical and cultural interviews (Rubin & Rubin, 1995) as the research aimed to uncover the decision process and structure of the agency, as well as the ideology underlying them.

Decision makers were chosen due to their roles at the agency and their perceived influence at the agency according to the key informants in the previous stage. These individuals were formally (through their position in the hierarchy) and informally (by their professional and personal connections) influential in the decision process. First, eight high-level IRR staff were interviewed to examine how they saw their work, what they thought of public involvement, who they talked to about projects, how they evaluated projects, etc. These included the commissioner and deputy commissioner, leaders of 3 administrative units, and one staff member who works directly with funding packages. Additionally, the research pursued the agency's historical context by interviewing a recently retired staff member as well as a former commissioner. The interviews elicited how informants conceptualized public participation and accountability. When informants repeated the same information that other informants had given, it became clear that the spectrum of perspectives had been uncovered. Thus, no further staff interviews were conducted. Appendix 7.1.3.2 shows the interview schedule used with agency staff.

Second, IRR board members were interviewed to see how they view their role in the agency's decision process. The interviews inquired about how they interact with the public and how they conceptualize public participation in the agency's work. Nine of the thirteen board members live in the IRR region. Board members from other parts of the state were

not perceived by informants to be influential at the agency and thus they were not interviewed. Of the nine local board members, two legislators and one citizen were too occupied to be interviewed, but two citizen board members and four legislative board members were willing to participate in the research. A former board member³ was also interviewed. Appendix 7.1.3.3 shows the interview schedule used with board members (both citizen and legislative).

3.1.2.3 Stage 3—Understanding the Role of Community Members

The third stage of research focused on those community members working directly with the agency to explore how community members engage with the agency's work. The agency interacts with economic development organizations, businesses and financial partners, and citizen advisory councils (CACs) in its work. Thus, the data included informants in these groups: 1) members of the Partners Advisory Committee (PAC), a citizen advisory council mentioned frequently by agency staff as a place for public input (18 members interviewed); 2) business owners who had received funding from the agency, either to expand or to relocate to the area (2 interviews), 3) local business owners who had either been denied help or who had worked with the agency in other capacities, as partners rather than as recipients (4 interviews), and 4) local economic development agency officials who had partnered with the agency on projects (2 interviews). Additionally, one local business owner who had served on the Technical Advisory Committee and was quite involved in economic development in his community was interviewed.

³ The former board member requested he be interviewed by phone. Extensive notes of his responses were taken. This write-up was analyzed using the same methods as the transcript data.

3.1.2.3.1 PAC members

Since the Partners Advisory Committee was highlighted by agency officials as an excellent way for community members to be involved in the process, the research concentrated on this group. Interviews explored how the members worked with the agency, how much they knew about the agency's functioning, why they participated, and how influential they were. Every member of the PAC was contacted to request an interview. Only one member declined because she felt she was too new to the PAC. In addition, the researcher observed two PAC meetings to witness how agency staff interacted with the participants. The PAC member interview schedule is included in Appendix 7.1.3.4.

3.1.2.3.2 Business Owners

Because the literature suggests that business perspectives are favored in economic development, local business owners were also interviewed to examine how they interact with the agency. IRR provided the names of five successful business projects: 2 local business owners who had received agency funding agreed to participate in the research. With these informants, interviews examined how the process functioned for each business, who seemed most influential in the process, and what about the project made them participate. Also interviewed were two business owners who had approached the agency but been denied. With these informants the interviews again explored how the process functioned, who seemed most influential, and why they participated, but also asked what they thought went wrong in the process so that they did not receive assistance. Finally, three other local business owners were interviewed to understand how the agency is perceived in general by the business community and whether it is seen as a positive force for helping local business or a negative one. These informants included a business owner who partnered with the agency on internal projects, a business owner who had never asked for agency help but was

interested in the work of the agency, and another owner who had been on the Technical Advisory Committee and who was involved with economic development activities. The interview schedules used with these informants are included in Appendix 7.1.3.5.

3.1.2.3.3 Economic Developers

Finally, two economic development officials who partnered with the agency on recent projects were interviewed. These officials were asked how they saw the process work, how the agency affected their work in their communities, and how they worked with local community members. The interview schedule used for these interviews is included in Appendix 7.1.3.6.

3.1.2.4 Stage 4—Feedback from Informants

Because IRR is a public agency, and because its meetings are open to the public, getting public feedback about the findings of this project was vital to ensuring that the voice of the community would be represented in the data and the final project. During the course of the research, interviewees wanted to know when they would get to “see” the results and how they would be able to continue to contribute to the research. In discussions, community members and the research team determined that public meetings would be an excellent way to solicit community input as well as to present and verify the results.

In August of 2005, the preliminary results of the research were presented to the communities in which the research was done. The point of the presentations was to elicit feedback from the participants regarding the conclusions—a form of member-checking which is an important element of ensuring interpretive validity. These presentations were public meetings to which previous subjects were invited personally while public notices were put in the local papers. The data from these meetings were analyzed in the same way as other data and were included in the results.

3.2 DATA ANALYSIS

Thematic analysis was used to analyze the data. First, both documents and interview transcripts were coded thematically, in consultation with two other researchers. The coding was revised periodically as new concepts came into play and others were revised or omitted (Rubin & Rubin, 1995). Second, the data was condensed in continually-revised displays. These displays allowed the researcher to find similarities and differences in the data across the informants. This clarified how the IRR decision process works, what input mechanisms exist, who has influence in the process, and how locals perceive and actualize their role in agency programs as well as to conceptualize the ideology behind the decision-makers' perceptions (Miles & Huberman, 1994; Rubin & Rubin, 1995).

3.2.1.1 Data Handling

With the exception of one tape-recorded phone interview, the interviews were recorded for accuracy. The researcher transcribed 12 interviews and 38 others were transcribed by students at MSU. Each transcript was reviewed for identifying information and such information was altered in the transcript (changing names, locations, etc.). The transcripts and the original digital files were stored in password-protected computer files. At the completion of the research, all media with the subjects' true identities will be destroyed, leaving only the public documents, transcripts (with all identifying information removed), and data write-ups (thesis, publications, etc.). PAC and public meetings were not digitally recorded. Detailed notes were taken, focusing on how board members and agency personnel interact. These notes were treated like transcript data in analysis.

3.2.2 Development of Codes

The data software Atlas.ti was used to organize the data collected in 50 interviews, two observations, and two public meetings with informants. To develop the codes, a sample

of the interviews was selected from a variety of respondents. The sample included two IRR staff members, two board members, one key informant, one workforce professional working with dislocated miners, one economic developer, two business owners, and two PAC members. These were read thoroughly and a coding system was developed based on the themes and concepts they contained regarding the research questions. A coding system is a way to identify specific concepts in qualitative data. For this project, the researcher created codes, or identification tags, for the data, defined what the code represented, created rules for when to apply each tag, and used examples to demonstrate how to use each code or tag. When new codes were developed, previously coded interviews were re-coded to ensure all the themes and concepts were uncovered.

Once the coding was developed from this sample, two other researchers used the same coding structure to code three new interviews. Together, the three researchers refined and clarified the concepts essential to the research and the codes used to identify evidence of these concepts. The remaining interviews, observations, and meeting notes were then coded. These codes continued to evolve, and when major code changes were made, earlier data were re-coded with the revised coding framework. See Appendix 7.2.1 for Table 7.1, a table of the final codes and their definitions.

3.2.3 Displays

Displays were used to summarize the data and organize it for analysis. A display is “a visual format that presents information systematically, so the user can draw valid conclusions” (Miles & Huberman, 1994, 91) To create a display, the data are analyzed one interview (or observation) at a time. First, the data are coded—passages are identified by the themes they contain. Then the codes that are expected to provide evidence for each research question are identified. Next the passages associated with each code are extracted

and analyzed for each interview and a short summary statement is written. Then the summary statements are used to develop an analysis by various categories of respondents. For this research, informants were grouped into 5 main groups by their roles. These informant groups were IRR staff, IRR board members, PAC members, business owners, and others community leaders. The summaries were organized by group. This is called a summary display and shown in Table 3.2. This example display was created to clarify the data regarding the role of the PAC.

Table 3.2: PAC Role Summary Display (abbreviated).

P 14: ERYes.rtf	Respondent identified
<p>ER joined the PAC almost as a continuation of his public career as a mayor and leader in economic development in his town. He sees the PAC as solely a tool to get IRR information out to the public. He adds professional experience as an elected official and feels that he represents his area and that others do too. He suggests that IRR put something in the paper about who's on the committee and where they're from so people can learn more about the agency.</p>	Summary of respondent's statements on PAC theme
<p>[14: 60-64] L: What's the role of the partners advisory committee?</p> <p>E: Communications. Well we start at the meetings we usually introduce ourselves and our communities, and what's active in our communities, and so you may get some networking also maybe Two Harbors is doing a project and maybe that'll work up in Babbitt, so it's a communication between the partners themselves and iron range resources. They fill us in on what's going on and why it's going on and the activities of IRR and they usually have staff members there that do a pretty good job of presenting it, and you go away with a pretty good feeling of activity contrary to what some of the media may say about it, but it's positive, it works, but through communications we can bring that home to our communities, so if something gets in the paper we can either we maybe heard about it or we know how to address it anyway. It's a good networking so.</p> <p>L: Do you have any, do you help the commissioner make decisions or do you offer that kind of input to the commissioner?</p> <p>E: Well only as input.</p> <p>[14:90] E: I think you do get some insights that you don't if you're not sitting there facing the public.</p>	Raw data containing the respondent's discussion of the PAC theme

This type of display ties summaries to the collection of quotes drawn from each observation or interview. By consolidating all of the information pertinent to the research question in one place, it allows the researcher to condense the data that are analyzed. From the summary display, each group's general perspective on the theme was summarized, and any discrepancies or differences between informants were noted. Finally, these summaries were compared across the informant groups to see where the groups were in agreement and where there were discrepancies. Miles and Huberman (1994) call this a role-ordered matrix. See Appendix 7.2.2 for the displays used to analyze the data in the results section.

3.2.4 Analysis for Each Research Question

3.2.4.1 Background Question: What is the decision process at IRR?

A variety of analytic approaches were used to understand IRR's official decision process. First, the written documents were examined for a description of the decision process. Though the agency's hierarchy was detailed in the MN Statute 298 and on the agency's website, it was not clearly detailed. Therefore, more information was needed from the interview data. The researcher re-read all the data which had been coded *decision process*, *decision structure* and *project process*. This was compiled in a consensus display (Table 3.2 following) to determine if there was consensus among the informants about the decision process and hierarchy, which there was.

Table 3.3: Consensus Display: Project Process and Decision Structure

	PAC members (18)	IRR Board (7)	IRR Staff (8)	Key/Other (15)
Outlined a fairly consistent picture of project process		4/7 (OF, QH, HY, KB)	5/8 (MD, DU1, DU2, LC, GX, FW)	5/15 (TF; VH, CT, WI, DQ)
Outlined inconsistent process view				
Didn't know about project process				1/15 (BS)
Didn't discuss project process in interview	18*	3/7 (TK, JA, IZ)	3/8 (FS, XJ, EV)	9/15 (ZQ, VM, SJ, CP, UG, PG, NE, RI, AR)
Described decision structure of the agency consistently	18*	7/7 (TK, OF, QH, HY, KB, JA, IZ)	8/8 (FS, XJ, MD, DU1, DU2, LC, GX, FW, EV)	11/15 (SJ; TF; VH; VM; ZQ; AR, CT, CP, UG, NE, RI)
Outlined inconsistent structure view				
Didn't know about agency structure				1/15 (BS)

Didn't discuss agency structure in interview				3/15 (WI, DQ, PG)
--	--	--	--	-------------------

* The PAC members described their role in the decision process consistently (see Question 3), but they were not asked about the general decision process or project process at the agency.

This consensus display shows how many and which informants out of the total informants possible in each group were consistent in their responses about the project process and agency hierarchy. For instance, four of the seven board members interviewed described the project process in agreement with each other. These four were O. Frich, Q. Harris, H. Yates, and K. Baxter. No board members differed from this description. In this way, it was verified that the descriptions of the hierarchy and process are generally agreed upon by the informants.

With consensus about the agency's organization, an organization chart (Miles & Huberman, 1994) was developed to outline the hierarchy of IRR decision makers. This is shown in Chapter 4 (Figure 4.1). To understand the project process, the data coded *project process* and *decision process* were built into an event flow chart (Miles & Huberman, 1994) which diagrammed the project process and is also in the Chapter 4 (Figure 4.2).

3.2.4.2 Research Question 1: What input mechanisms are available to local communities in Iron Range Resources' economic development decision process?

To uncover input mechanisms, the data regarding the ways in which people were involved with the agency were examined. This analysis focused especially on where these passages overlapped with passages identified by the *citizens* code which denoted data referring to the role of citizens. Also examined were the *networking* and *accountability* coded data to see where less formal input mechanisms might exist. Using summary displays (see

Figure 3.1) of these passages, the mechanisms mentioned by informants were listed. Finally, to show how many informants in each informant group had mentioned each mechanism, another consensus display was created. This display (Table 7.2 in Appendix 7.2.2) showed not only which mechanisms were mentioned, but also which were most commonly noted. The display was organized by the type of participation allowed in each. These types of input mechanisms were added to the event flow detailing the official process (Figure 4.2). This inclusive event flow chart is Figure 5.1 in Chapter 5.

3.2.4.3 Question 2: Who influences the process? What influence do local communities have in IRR decisions?

To determine the influence local people have in the process, the data had been coded for specific examples of influence. Again a summary display summarized each passage. Then a role-ordered matrix was created similar to the consensus display, Table 3.2 shown previously. This table, Table 7.3 in Appendix 7.2.2, shows how many examples of influence there were for each role in the decision process, such as the governor, the commissioner, the TAC, the board, etc., and which informants mentioned them.

As a sub-question to question 2, the research also examined the specific role and influence of the PAC itself. The *PAC* coded data was summarized as shown in Figure 3.1. These summaries were then organized to a general statement about how each group of informants views the PAC, noting discrepancies within the informant groups in a consensus table (Table 7.4 in Appendix 7.2.2). This was the basis of the PAC section of Chapter 5.

3.2.4.4 Question 3: Why are input mechanisms and influence structured the way they are?

Question three was answered differently from the interview and observation data questions. Here, the literature of economic development and public participation interpret

what was found at IRR. First, the researcher reviewed the literature summaries and notes written during the initial reading research phase. These notes were sorted thematically and theoretically connected to each of the thesis sections, including the literature review, the context, and the discussion. The discussion data was then linked to the results. These connections were written in the discussion section of Chapter 5.

3.2.5 Validity

Issues of validity are addressed in a number of ways. To ensure accuracy of the data itself, each interview transcript was reviewed and clarified with the interviewee to assure that it was accurate (after it had been transcribed by a transcriber). The coding analysis was also validated with peer review—when two other researchers collaborated to ensure that the codes were defined clearly and important information was selected.

Finally, member checking validated the findings in two ways. First, the results of the interviews were shared with participants and community members at three public meetings in August 2005. The researcher took notes of these meetings and this community critique was analyzed and woven into the final research reports (publications and thesis) as well. 2) The results of the specific PAC data were reviewed in two individual meetings with PAC leaders also in August 2005 (only these 2 PAC members responded to the request for a private meeting) and their comments were added to the data, analyzed, and included in the thesis.

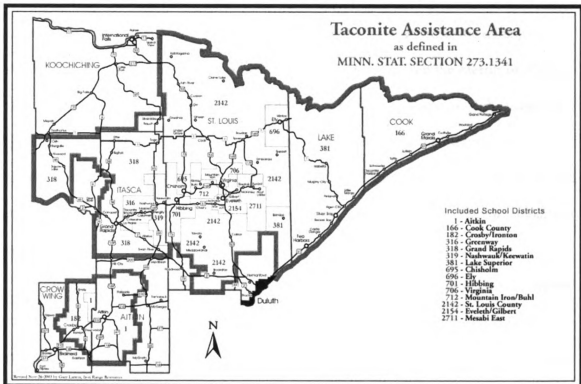
4. IRON RANGE RESOURCES: DESCRIPTION

4.1 BRIEF HISTORY OF IRON RANGE RESOURCES

"[N]o one has any illusions there would be anything on the Iron Range today if the mines disappeared" (Kelleher & Radil, 1999).

Iron Range Resources (IRR) is a regional economic development agency that focuses on northeastern Minnesota's Iron Range communities. It is an ideal case to study questions of how local communities are involved with economic development decisions for a number of reasons. IRR offers a variety of input mechanisms to community members, which allow for a detailed examination of how citizens use these mechanisms. Additionally, the agency exemplifies the current economic development growth ideology in its technocratic process and organizational structure. Finally, the agency's budget of \$21 million is quite large and its work is vital to the 300,000 residents of the Range.

Figure 4.1: Map of Taconite Assistance Area (Iron Range Resources, 2005)



Since the Merritt brothers found the largest U.S. deposit of iron ore, the Mesabi Iron Range, in 1890, northeastern Minnesota has been dominated by the ore-mining industry (Goin & Raymond, 1999). The area's rich, soft high-grade ore was shipped to eastern steel mills, creating cheap steel that fed America's industrial boom throughout the twentieth century. Already denuded by the intense white pine timber harvesting of the mid 1800s, "[b]y the turn of the century [1900], the range had been transformed from a sparsely populated wilderness into an industrialized landscape inhabited by immigrants from almost every nation of Europe" (Alanen, 1989, 155). Immigrants from Scandinavia and Europe poured in to fill the dangerous jobs in the mines, in conditions not unlike the industrial hovels of the early industrializations of Europe and the U.S. (Alanen, 1989). However, these jobs and the communities they built remain dependent on the global demand for steel. The market for iron ore, a raw commodity, is cyclical, with demand and supply spikes that vary dramatically. Employment and fortunes across the Range have varied with the ore economy. Towns were built near the open pits only to be dismantled and moved as the mining expanded and then vacated when it contracted (Alanen, 1989). Even the Merritt brothers, once millionaires, were bankrupted as were dozens of companies and tens of thousands of families over the years (Alanen, 1989). Early recessions decimated the Merritts, but the Great Depression brought mining to a standstill in 1932 (Alanen, 1989, 158). The social and economic effects of this single-resource dependency created a need for economic stability in the region.

In 1941, legislators feared that the Range was running out of high-grade ore, which could be fed directly into steel blast furnaces, and that the miners would be once again jobless. This prompted Minnesota Governor Harold Stassen to create the Department of Iron Range Resources with a mission to create resource-based jobs in the mining

communities (Kelleher & Radil, 1999). One justification for the creation of the Department, as well as the rest of the taconite tax laws, was the assumption that "extractive industries such as mining bear some responsibility to the people in the region in which they conduct their business" (Miller, 1991, 24).

Though northeastern Minnesota had already exhausted the stores of white pine timber and high-grade ore, the region retained many natural resources. The varied natural environments attracted tourism, the forests could be renewable resources if properly managed, and some agricultural crops could also do well in the area—specifically peat and sod. In 1941, the Department was tasked with developing these alternative resources.

When the Department of Iron Range Resources was created in 1941, the legislature also redesigned tax law, including lowering taxes on taconite—a harder iron ore of lower quality that requires processing before it can be used in blast furnaces. This would become the future of iron mining and northeastern Minnesota (Miller, 1991). The new Department spent the 1940s researching taconite and other natural resources which, in the fifties and sixties, developed the commercial taconite industry. The Department capitalized on the work of Edward Wilson Davis who designed the process to crush the rock and heat it into taconite pellets that could be fed into the steel furnaces. Over these early decades, the Department spent over \$2.5 million on the research which developed the new taconite technology (Kelleher & Radil, 1999).

The Department also developed non-ore projects. One of the earliest of these successes was a reinvestment in forestry. The Department worked with the Department of Natural Resources (DNR) to replant the forests and to encourage the wood products industry by providing information and financial assistance to major wood products producers (Miller, 1991). The Department's agricultural initiatives were less successful—

except for the development of patty-grown wild rice, which created a new industry in Minnesota (Miller, 1991).

Important political changes occurred in the 1960s and 1970s, due to worries that taconite would run out. Area residents and the Department hoped to diversify the Range economy to make it less dependent on mining (Kelleher & Radil, 1999). Taconite taxes were reworked to increase funding for economic development projects and to replace the decreasing ore taxes.⁴ A number of new major funds were also set up to fund the Department's work, including the Taconite Area Environmental Protection Fund, and the Northeastern Minnesota Economic Protection Fund in 1977, both with specific funding processes and objectives (MN Statute Chapter 298, 2005). The governance of the Department was altered to include a ten-member board of legislators to authorize funding of economic and community development projects in the region. The legislation also restricted funding to parts of the seven counties of northeastern Minnesota home to mining, called the Taconite Assistance Area (or TAA). This area is shown in Figure 4.1. The Department of Iron Range Resources became known by the name of its new directors: the Iron Range Resources Rehabilitation Board or IRRRB (I-triple R-B). In subsequent years it became the Iron Range Resources Rehabilitation Agency. No longer a department entirely under the state government, it morphed into an agency directed by the governor and legislators and funded by local production taxes rather than state appropriations.

The deep recession of the early eighties made the IRRRB even more important to Range communities. Between 1980 and 1982, about half of mining employees lost their jobs

⁴ This was not the first time that tax on the mining was used for community and economic development projects. According to Alanen's (1989) history of the area, as early as the 1920s "[t]ax levies on the lucrative mining interests operating within the town [Hibbing] and other settlements generated revenues for relief projects that employed out-of-work miners during the off season; athletic and recreational programs, mothers' clubs, night schools, well-baby clinics, and music and drama organizations; community doctors and nurses; and above all, school buildings and expanded educational programs" (165).

(Kelleher & Radil, 1999). In response to the out-migration and unemployment, IRRRB focused on rebuilding public infrastructure, including over \$60 million invested in local water and sewer systems and other infrastructure (Kelleher & Radil, 1999). Though tourism had not been funded until the 1970s⁵, the new taconite revenue allowed for new opportunities. The IRRRB built a historical interpretive center at Ironworld and purchased Giant's Ridge, a downhill ski facility—both of which are still owned and operated by the agency. It also became involved in a number of other tourism projects.

While attempting to bring jobs into the depressed region, IRRRB took a lot of risks and many projects were perceived as failures by the media and the community. As early as 1985, a report by the *Minneapolis Star Tribune* “blasted the IRRRB’s expensive ventures” and media pressure has remained constant (Kelleher & Radil, 1999). A number of innovative projects failed, as Minnesota Public Radio reported in 1999:

There was what became the poster-project for IRRRB scorn-mongers: the ill-fated Hibbing chopsticks factory. Lakewood Industries, opened in 1987 with \$5 million in public investment, including more than \$3 million industrial-revenue bonds backed by the IRRRB. It only lasted till 1989. The building then stood empty for years in Hibbing’s industrial park as mute testimony to a novel idea gone bad.

But according to Gary Lamppa [a former IRRRB commissioner], the idea was sound. He says the factory’s demise was due to unpredictable factors beyond local control

Lamppa: ‘That project was probably one of the best projects that IRRRB has funded in many many years. The guy had a take-or-pay⁶ five-year contract of all the chopsticks he could produce. The problem was that the supplier of the equipment could not produce A-grade chopsticks. And that was the problem. It was not a dumb idea. All the mines were closed.’ (Kelleher & Radil, 1999)

The agency contended then, as it does today, that economic development requires risk-taking and that every venture cannot be successful. Therefore, the IRRRB altered its

⁵ Previously, tourism had not been “designated as a remaining resource under the law as interpreted by the Minnesota attorney general and was therefore ineligible for IRRRB financial assistance” (Miller, 1991, 12).

⁶ A take or pay contract is when the buyer agrees to purchase a quantity of goods at the market price—if the buyer is unwilling or unable to purchase the goods, he or she will pay the producer a previously agreed-upon fee to make up for not purchasing the product.

strategy, choosing to partner with other entities on large projects, pooling smaller amounts of funding with others rather than bearing the risks alone (Miller, 1991). Under new Republican and Independent administrations in the late 80s and 90s, and as the economy began to improve, the agency focused more on mineland reclamation, economic development to recruit outside business, and local business development (Miller, 1991; Kelleher & Radil, 1999). Additionally, the board expanded to include three appointed citizen members.

4.1.1 Current IRR Goals

In response to shrinking budgets and changing priorities, the agency has moved away from community infrastructure projects and is focusing more narrowly on job creation projects (Iron Range Resources, 2004a). When Commissioner Layman was appointed in 2003, one of her first actions was to redesign and clarify the goals of the agency (Iron Range Resources, 2004a). Posted prominently in its lobby, and in the most recent biennial report on its website, the agency focuses on 4 main goals:

Goal #1: Position the agency to be a leader in developing and implementing a strategy for the long-term economic viability of the northeastern Minnesota region.

Goal #2: Sustain the region's economic base by working with existing businesses to retain existing jobs and expand to create new jobs.

Goal #3: Diversify the region's economy by growing new businesses and recruiting expanding businesses from outside of the area.

Goal #4: Reclaim mining impacted lands to create a diverse regional economic development resource.

The agency's development programs are divided into two areas: 1) Business and Community Development, which includes business recruitment, financing, partnering with other economic development agencies, among others; and 2) Mining, Energy and Minerals

Development, which includes mineland reclamation, technology development, drilling incentives, tree seedling programs, and others. These programs are centered on “The 4 Ts:”

Taconite: low-grade iron that would eventually take the place of high-grade ore

Timber: forest management that would replenish the region's forest resources and revitalize the timber industry

Technology: a system of post-secondary and vocational educational institutions to train and educate the region's people for a variety of careers

Tourism: Proper development of recreational resources could lead to a lucrative tourism industry. (Iron Range Resources, 2005)

At the same time, Commissioner Layman simplified the agency's name: though still called the IRRRB by statute, the agency's logo is now “Iron Range Resources” or IRR (which will be used throughout this paper to refer to the agency itself).

IRR is a semi-autonomous, public agency outside the general purpose bureaucracy—it is not an executive agency in state government, such as the DNR. It is not a state agency, nor is it a legislative committee; it is a hybrid of both. The commissioner is appointed by the governor and the IRR board is composed of state legislators. The agency follows Wolman and Spitzley's (1999, 252, emphasis added) second model: it is “a *semipublic agency* that, while *created by legislative act*, is not part of the structure of the general purpose government and has *some degree of autonomy*.” The structure of IRR is detailed in Minnesota statute 298.22. The statute outlines the role and appointments of the commissioner and the board members. It also outlines the specific requirements for approvals for spending the funds that IRR administers.

4.2 IRR's DECISION STRUCTURE

The decision process at Iron Range Resources is complex and there are many decision makers involved at various levels. Figure 4.2 summarizes the official view of

decision making at IRR. This figure was compiled from 1) agency documents and 2) interviews with agency staff and board members, all of whom concurred with this summary.

4.2.1 Governor

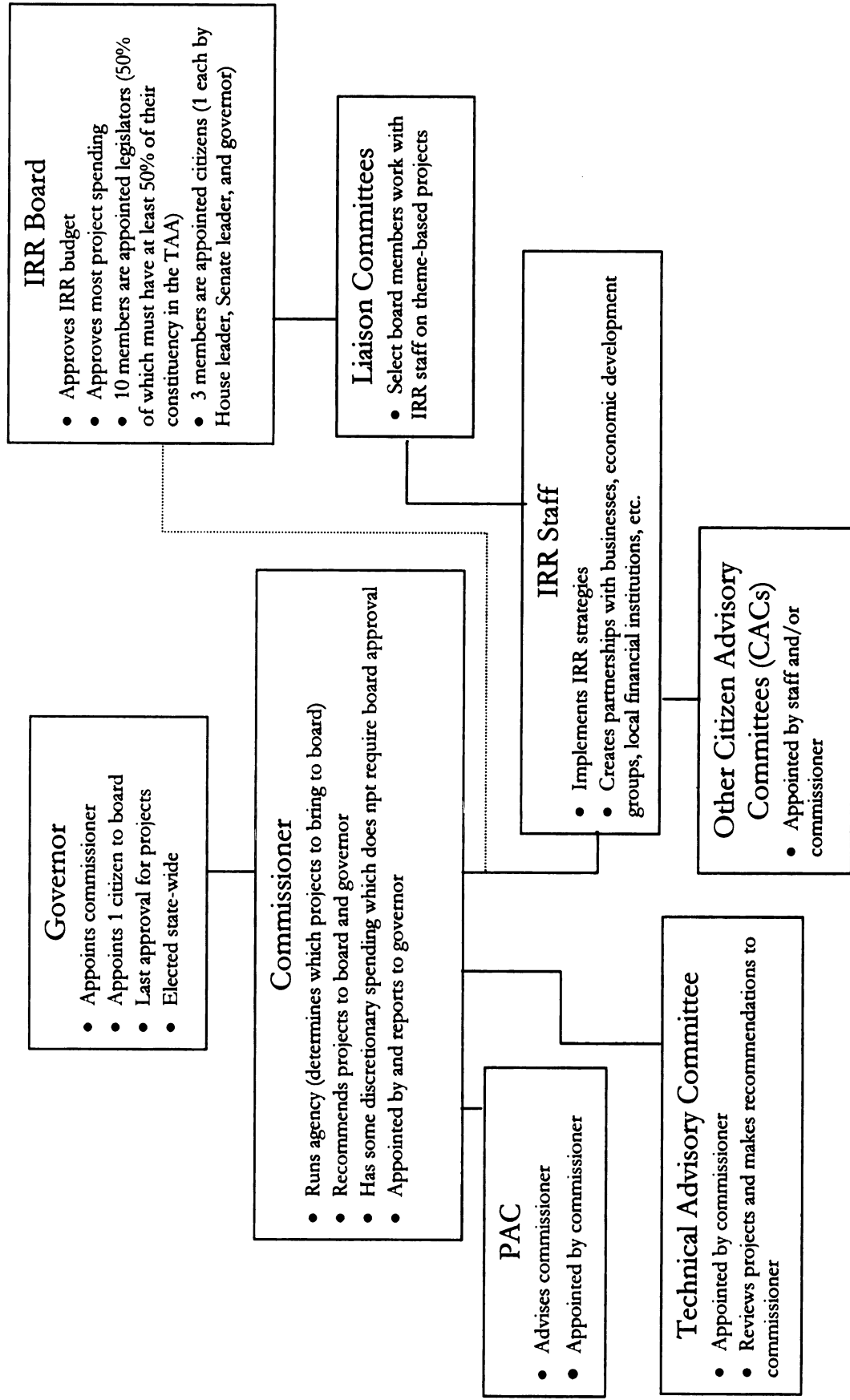
The governor appoints the commissioner and one citizen board member. Because the governor appoints the commissioner, he can direct her actions. Since the governor's office disburses funds to the agency, the governor is also the final decision-maker for funding specific projects.

4.2.2 Commissioner

The commissioner is appointed by and responsible to the governor. She oversees the agency's budget, directs its programs, and designs its goals. The commissioner also follows the process for funding specific projects closely. Not only does she decide whether to recommend board-approved projects to the governor, she also works with IRR staff throughout the project process, determining whether or not a project even makes it to the board. One staff member explained:

The commissioner...decides to bring a project forward or not.... Typically, [the staff] is keeping the commissioner abreast of what's going on. If she just doesn't like something...[she can say] 'let's cool it, tell them thanks but no thanks.' That certainly can happen. (P116: 61)

Figure 4.2: Hierarchy of IRR Decision Makers



4.2.3 Iron Range Resources Board

The IRR board is a unique governing body made up of 10 legislators (5 state senators, 5 state representatives) and 3 appointed citizen members. It meets about four times a year to vote on project proposals. The legislators are appointed by the leaders of state legislative bodies (the State Senate Majority Leader and the State House Speaker) for two-year terms and a minimum of 6 of them must have at least 50 percent of their constituency within the TAA. The three citizens are appointed (one each) by the governor, the Speaker of the House, and the Senate Majority Leader. For most of the agency's funds, the board must approve a project for it to receive funding.

The board members also participate in liaison committees. Liaison committees are smaller groups of board members who work with IRR staff on projects defined by specific sectors.⁷ These committees learn about projects and programs before they come to a board meeting. They do not vote on projects, but they are involved in the planning stages and allow the board to be aware of projects in the early stages of development.

4.2.4 IRR Staff

IRR staff work with businesses, local economic development agencies, financiers and other partners to create project packages. The staff is comprised of professionals who are considered economic development experts. These professionals recruit businesses from outside the region as well as work with businesses in the region on issues of expansion and retention. Staff members collaborate with board members on the liaison committees. They also run IRR-owned tourism facilities: Ironworld Heritage Center, a historical site detailing

⁷ During the summer of 2004, liaison committees included Economic Development, Facilities & Tourism, Human Resources, Marketing & Communication, Mineland Reclamation, Mining & Energy, and Revenue Sources. Each liaison group has a chair and 5 members, all from the board, and one IRR staff contact.

the mining history of the region, and Giant's Ridge Golf and Ski Resort. Staff members are state employees.

4.2.5 Citizen Advisory Committees

There are a number of citizen advisory committees at IRR. Two have major roles in the decision process, the Technical Advisory Committee, and the Partners Advisory Committee.

4.2.5.1 Technical Assistance Committee

The Technical Advisory Committee (TAC) is focused solely on the agency's project funding packages. This committee is made up of private industry experts (bankers, business leaders, etc.) and it examines the precise terms of a project to ensure that it is fiscally sound. The TAC can offer suggestions and changes. The project must be approved by the TAC to move to the board for approval.

4.2.5.2 Partners Advisory Committee

The Partners Advisory Committee (PAC) is a board of 20 community members who meet with the commissioner every two months. They learn about agency programs and goals and inform the commissioner about happenings in their local communities. IRR (2004b) describes their role:

The Partners Advisory Committee is established to enhance communication between the Office of the Commissioner of Iron Range Resources and the residents of the Taconite Assistance Area. Its purpose is to act as an informal sounding board to the Commissioner and provide feedback and input from a citizen/stakeholder's perspective.

During meetings, PAC members learn about IRR programs and projects, usually through presentations by IRR staff, and then take turns sharing what economic issues they think are most pressing in their communities. According to staff and PAC member interviews, the PAC members share local concerns with the commissioner and get

suggestions from other PAC members. When there are vacancies on the PAC, the agency runs notices in the local papers (see Appendix 7.5 for the ad run in early 2004) and the commissioner and her staff choose new members out of those who respond. PAC members serve up to 2 terms of 3 years each, and represent a diversity of community locations, professional backgrounds, and genders. During this research project, about one-third of the PAC members had been chosen by this commissioner and two-thirds remained from previous commissioners.

Similar to the other community advisory committees at IRR, the PAC clearly fits into the characteristics for a typical CAC according to Renn et al. (1995a). Its organization is non-hierarchical (the chair is elected by the group annually and serves only to construct the meeting agendas); its charge is determined by the IRR (to serve as a sounding board for the commissioner); its members are hand-picked by the commissioner and are generally from the same elite class (professionals, educators, etc.) as the agency officials; members choose the agenda of their meetings, which are not open to the public; and members are educated by the agency about agency programs and depend on IRR for all the information they receive.

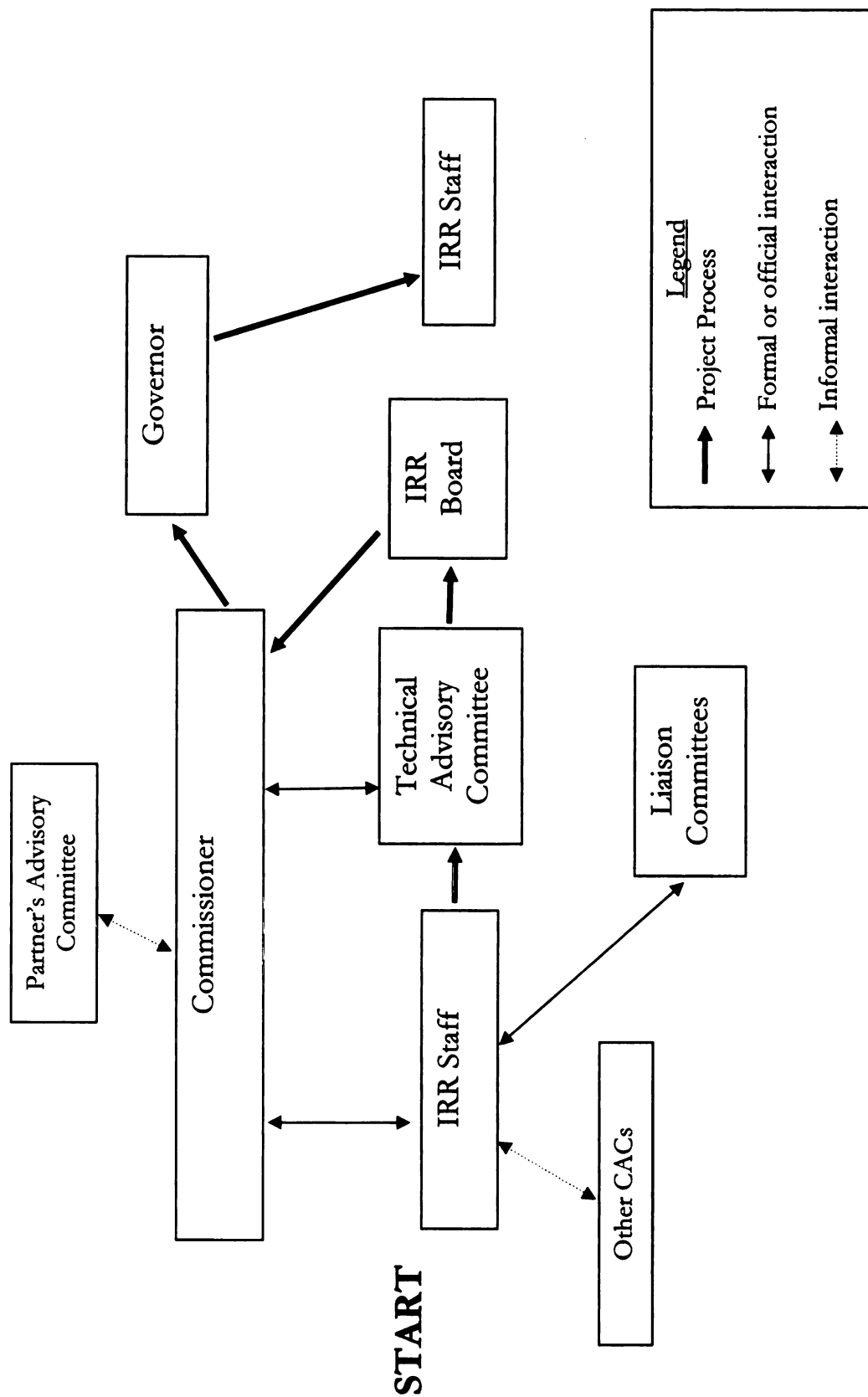
4.2.5.3 Other Citizen Advisory Committees

Other CACs, called taskforces and advisory boards at IRR, deal with specific programs or projects, such as the Ironworld Task Force and the Do I.T. Council. The members of these groups are community members appointed by IRR staff and sometimes the commissioner. These groups have specific tasks, such as researching the possibility of changing the organization and management of Ironworld (for the first) or directing the Information Technology program (the latter).

4.3 PROJECT PROCESS

Though there is no formally documented project process, all of the people interviewed at the agency agreed that the typical project goes through a process illustrated in Figure 4.3. Though there are exceptions, most projects begin at the IRR staff level. Under the guidance of the commissioner, the staff works with community partners, including local governments, local economic development agencies, banks, and private financiers, to create a project funding package. If the project falls under one of the liaison committee areas, that committee will also work with the staff to prepare a project package, a plan of implementation and funding to bring the project into being. The prepared package is then brought to the TAC where commissioner-appointed business and banking experts review it, suggest changes, and recommend approval or disapproval. An approved project is put on the next IRR Board agenda where the principals present the project, the board asks questions, and the project is again either approved or not approved. If approved, the commissioner then sends the project details to the governor who disburses funding to the IRR. Finally, the project goes back to the IRR staff who manage the funding of the project and monitor its implementation to assure that partners are meeting their goals.

Figure 4.3: How a Project Is Planned at IRR



4.4 CONCLUSION

IRR is a semi-autonomous government agency. It is not a department in the state or county or city governments but it is run by the executive and legislative branches. This is an example of Wolman and Spitzley's (Wolman & Spitzley, 1999) second model of an economic development agency. It is also a professional and elite agency (Reese & Rosenfeld, 2002), one of the prevailing types of agencies in the economic development literature. Because it is similar to the economic development agencies discussed in the literature, it is an excellent case to examine how local communities can interact with or affect the distanced decision process so common in economic development today. The citizen advisory committees at the IRR also offer the opportunity to study closely how these bodies allow local access to decision makers.

5. RESULTS AND DISCUSSION

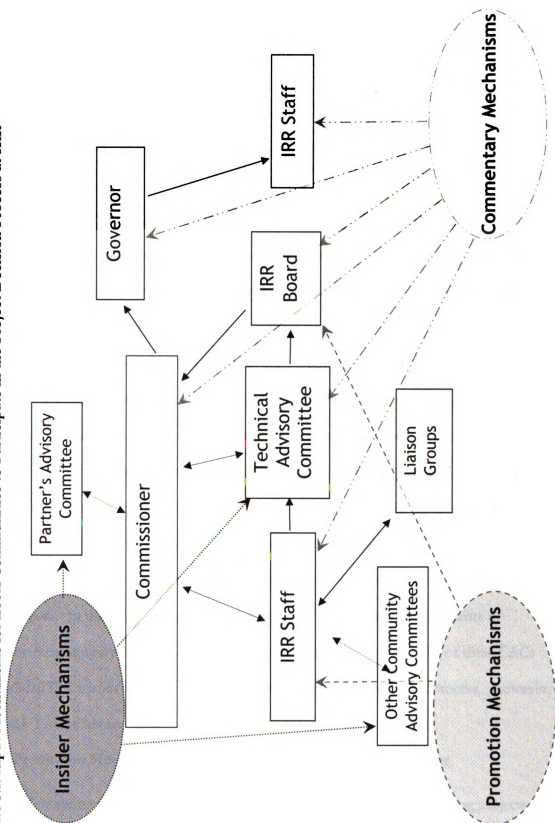
This chapter presents the research findings. Chapter 4 described the IRR's organizational structure and decision process for approving projects. This work describes the official decision structure at IRR, part of the IRR's local civic culture, but does not reveal how local communities or their citizens are engaged with IRR decisions. As such, this project examines first the input mechanisms available to community members at IRR. Input mechanisms are the ways in which local community members or citizens may participate in IRR decisions. For this research, community members are those who live and work in the IRR's region but are not employed by IRR or on the board. Recall, however, that the existence of input mechanisms does not necessarily mean that community members have any influence in the decision process (Reese & Rosenfeld, 2002). Thus, the second part of this chapter focuses on influence. It examines first who is influential at IRR to complete the understanding of the agency's local civic culture and second the influence of community members themselves to expand beyond the decision-makers. Finally, the data reveal the underlying ideologies that frame economic development at IRR and suggest how these ideologies determine input mechanisms and community influence.

5.1 WHAT INPUT MECHANISMS ARE AVAILABLE TO LOCAL COMMUNITIES IN IRON RANGE RESOURCES' ECONOMIC DEVELOPMENT DECISION PROCESS?

This section examines the various input mechanisms that are available to local communities to participate in IRR decisions. Interviews with IRR staff and board members and community members revealed three categories of input mechanisms: 1) insider mechanisms, the opportunities to formally participate in IRR processes as an insider at the agency; 2) promotion mechanisms, the opportunities to bring project ideas to the IRR; and 3) commentary mechanisms, the opportunities to offer comments on agency projects and

programs. Figure 5.1 illustrates where these mechanisms allow participation in the IRR project process. The top dark oval represents opportunities to participate in formal IRR bodies. Examples include the Technical Advisory Committee (TAC) and other community advisory committees such as the PAC and the Do I.T. board. The lower grey oval represents opportunities for local economic development professionals and private entrepreneurs to propose projects in their communities. In contrast to the insider roles described previously, promoters are involved as IRR partners, but they do not participate as members of official IRR bodies. They may work with IRR in their official capacities (i.e. local developers) or as private citizens (i.e. local business owners). Finally, the white oval represents opportunities for community members to comment on proposed projects using public meetings and informal communication avenues with the agency's decision makers. These are ad hoc opportunities and can involve interaction with a number of IRR contacts. Each mechanism is described in the following section.

Figure 5.1: Input Mechanisms for Local Communities to Participate in the Project Decision Process at IRR



5.1.1 Insider Mechanisms: Locals Participate in IRR Bodies

One way that local communities can participate in IRR decisions is as members of official IRR bodies. Community members can join a variety of IRR advisory committees and boards, what Renn et al. (1995a), call community advisory committees (CACs). A CAC is a group of community members assembled by an agency to discuss agency issues and assist or advise the agency. At IRR, the Technical Advisory Committee (TAC) functions as a CAC. Interviews with agency executives and board members reveal that this is the only CAC in which the community members have official responsibility in the project planning process. TAC members are appointed by IRR staff due to their business and financial expertise and are usually banking or business professionals.

Other CACs also exist at IRR. Some are appointed for specific projects whereby they have a short term assignment that is accomplished. For instance, the Ironworld Task Force was tasked to examine and recommend a new management structure for Ironworld and they had approximately six months of regular meetings in which to make their recommendations (Commissioner's Task Force on Ironworld, 2004). Others have more long-term responsibilities, with members serving specified terms. The Do I.T. Advisory Board functions in this way, convening to assist the Information Technology program on a regular basis. In the same way, the Partner's Advisory Committee (PAC) consists of appointed community members that advise the commissioner directly. All of these CACs are official IRR bodies and they function as part of the agency's decision process. However, only the TAC holds any legal responsibility for making program decisions.

5.1.2 Promotion Mechanisms: Promoting Projects as an IRR Outsider

Community members may also participate in IRR dealings by proposing projects to the agency. In-depth interviews reveal that government officials and economic development

professionals from the region bring ideas to the agency and work with IRR staff to create projects. These economic developers are those who work specifically in a community to manage economic development planning and programs. IRR staff may also approach community officials to help recruit new businesses to their communities. Additionally, business owners may engage with the agency in this way.

In general, average community members, those who do not hold leadership roles, were not identified as project promoters in interviews. However, an IRR executive suggested that they can function as informal and passive promoters of their communities.

[T]he more positive your citizens are, the better success you're going to have, and that could be the person at the gas station who's friendly when they're pouring you your cup of coffee in the morning, it could be anything (P27:450).

Since only one informant suggested that average community members can promote their communities, this is not a commonly perceived role for them. Thus, the data indicate that community members are not actually involved as promoters and do not gain access to the agency through this means. Rather, it is community officials who use IRR promotion mechanisms.

5.1.3 Commentary Mechanisms: Reacting to IRR Decisions

The most common means identified for community members to be involved in IRR work was through commentary mechanisms. Since IRR is a public agency, community members have opportunities to react and respond to IRR decisions. When asked how community members are involved, informants most often stated that community members can call IRR decision makers or public officials with their concerns. IRR decision-makers are those at the agency who are officially tasked with determining economic development programs, like board members and the commissioner. For instance, a community member may call her mayor to learn about a project in her town while another calls his legislative

representative on the board. Other commentary mechanisms were mentioned, but by only a few informants. These include speaking during open floor time at board meetings or other public forums, contacting the agency staff or commissioner directly in the office, contacting the governor, or using personal relationships with staff members, board members, or other decision makers outside of the office to express one's views.

When an agency executive was specifically asked for all the ways that people can participate, he replied "I just really think that if you want to talk to Iron Range Resources there's just, there's virtually an unlimited...number of avenues to do so" (P13: 153).⁸ He listed most of the options above. However, board members responding to the same question typically said that their constituents contact them. In-depth interviews revealed that board members perceive themselves as recipients of public opinions and six other informants agreed that it was common to contact board members about IRR projects and issues.

⁸ This citation references the data transcript. P13 refers to the 13th transcript, and 153 is the paragraph in the originally transcript that contains the quoted passage. All other transcript data passages will be referenced in the same manner.

5.2 WHO INFLUENCES THE PROCESS?

The data show that community members can access IRR's decision process using three types of input mechanisms: insider, promotion, and commentary mechanisms described in Section 5.1. However, the existence of input mechanisms and a description of the official structure and process are not enough for the study to understand who is influential at the agency. This is because the purposes and uses of input mechanisms determine how influential participants are (Reese & Rosenfeld, 2001b; Cornwall, 2003; Sullivan, 2004). These issues of influence are addressed in section 5.2. First, the interview data reveal patterns of influence for both IRR insiders and those who work with the agency (section 5.2.1). Second, the data also show how community members specifically have influence at IRR (section 5.2.2).

5.2.1 Who is Influential: Expected Influence

Interviews with IRR staff and board members revealed that most projects at IRR follow the decision process detailed in Chapter 4. Therefore, people with the most influence at the agency are those who are responsible for making decisions about the agency and its programs. The hierarchy of influence follows the structure outlined in Figure 4.1, flowing from the governor to the commissioner and the board, to the TAC, to the IRR staff. All of these actors are influential due to their role in the agency's structure, and therefore their formal responsibilities. Because this influence is expected with their roles, it is called *expected influence*.

The commissioner, for example is influential to her position in the IRR's hierarchy. The commissioner has influence through her role as the head of the agency. She provides final approval for projects and can veto them at any point in the decision process. Therefore

she determines which projects make it through the initial stages and reach the board approval stage.

Additionally, the commissioner's role includes her ability to direct the overall focus of the IRR. Though the agency has evolved throughout its long history, this commissioner has clearly focused on business recruitment and expansion as the primary goal of the agency. These respondents noted that since the commissioner changes with every new administration (and sometimes more often), the agency's focus can also change often (P6: 153; P10: 25; P20: 31). This can cause frustration within the agency as a new commissioner takes time to settle into the job. According to one informant, community members feel as though work is slowed by the transition from one administration to another (P6: 153). The data show that community members, board members, and staff do not have the formal power to determine the agency's goals. This is entirely within the purview of the commissioner. The commissioner's extensive expected influence, then, includes her ability to design the goals and focus of the agency, to oversee the project process, and to approve funding.

5.2.1.1 Balance of Power

The commissioner's expected influence is limited by the influence of other decision makers at IRR. The organizational structure of IRR balances decision making across the executive and legislative branches of government. The commissioner and governor direct the agency, but the legislative board also controls project funding, the budget, and other decisions. Because the board and the commissioner both have expected influence to approve projects, it can be unclear which is more influential. One staff member noted "the power really is vested in the executive branch. Now you talk to board members and they might kind of debate that a little bit, but um the CEO, if you will, of the organization is the

commissioner, who's appointed by the governor" (P12: 53). However, board members highlighted the power of the board in directing the agency. One board member suggested that even though the commissioner defines its goals, the board can alter the agency's budget to fund the areas they think are most vital (P25). In effect, the board and the commissioner must collaborate to develop IRR projects and programs.

The competing influences of these decision makers can cause significant conflict between the board and the commissioner when they disagree on the agency's projects or goals. A Minnesota Public Radio (Kelleher & Radil, 1999) report noted that the conflict could flare at times and damage the reputation of the agency and the area's legislators who are board members. The report cited former board member Doug Johnson who admitted that the publicity over conflict at the agency "does hurt us somewhat in recruitment and in the image of our agency." (Kelleher & Radil, 1999). More recently, a community informant stated, one board member was so angry with the commissioner that in a public meeting he stood on a table and lectured her (P42: 63-69).

The conflict between the commissioner and the board can also flare because of partisan differences between the commissioner and the board. In the summer of 2004, the board was comprised mostly of politicians for the Democratic Farmer Labor Party (the Minnesota Democratic Party). By contrast, the governor, and by association his commissioner, were Republicans. Partisan conflict was evident in six interviews (P16: 146, 154; P23: 47; P33: 50; P35: 57; P40: 60; P52: 128). A former commissioner highlighted the problem:

I think when you have a board that's Democratic basically, and you have a commissioner that's Republican, if things go wrong locally and [community members] complain to the board, who are [board members] going to blame? The commissioner. And if the commissioner receives a criticism, who's she going to blame? The board. And it's not a good situation I don't think. It worked better

[when the governor was of the same party] than it [does] now. I don't think it's working very well." (P52: 136)

However, a former board member suggested that even though conflict could be a serious problem, "overall, when push comes to shove, they have made the needed compromises to get the job done" (P46: 25). His positive comment was the only comment on overcoming partisan conflict in the interviews. Twenty-four other informants were concerned about this conflict and the reputation it creates.

5.2.1.2 Expected Influence Assists Some Projects

While most projects follow the usual process, some get help from those with formal influence over the process. At times, the governor or a board member might overrule the usual process. While this may disrupt the process occasionally, the ability of those decision makers to guide the process is consistent with their role in the IRR hierarchy. Two examples from the interviews exemplify this concept.

The commissioner is very influential because she can veto any project that the board approves. She is, however, reliant upon the governor because the governor's expected influence, as executive of the state, includes appointing, and thus instructing, the commissioner. Recently, the governor overturned the commissioner's decision a project. IRR helped Warner Brothers to film a recent movie, *North Country*, on the Iron Range by contacting the mining companies for locations and finding contractors in the area. However, the commissioner was opposed to funding a rebate on supplies the company purchased locally. Though the governor initially supported the commissioner's position, board members put it on a board agenda and voted 8-4 to give a 10% rebate to Warner Brothers on supplies purchased locally for filming. Since the commissioner continued to refuse funding, Warner Brothers went directly to the governor. Governor Pawlenti relented, instructing the IRR to fund a 10% rebate up to \$200,000. If Warner Brothers had not been

successful with the governor, however, the commissioner's decision would have stood. This example clearly demonstrates that both the commissioner's and the governor's influence are based on their formal roles in the agency's decision process. They direct the agency and the governor may exert his formal influence over the commissioner.

Similarly, board members have used their expected influence to help move projects through the process. One informant offered a telling example that suggests the power of the board can take precedence over the expertise of the professionals on the agency's staff. Terry Fitzgerald, a local business owner, discussed one of the challenges he faced with getting a building loan package from the IRR.

Fitzgerald (F): We called our liaison person [on the IRR staff] and I said "Jim [name changed], what's going on? You've made all these demands of us. Well let me make a demand of you, I would like to have a firm date. When are we going to get some sort of decision? We want to move forward here." So he got all in a tizzy and wrote us a letter that said, "Dear Terry, we're no longer interested in dealing with you."...So I called one of the board members, Steve...who I knew and who was a business person and I said "look here's what's happening..." And I can remember this like yesterday because he went "uh-huh, uh-huh, uh-huh, I'll look into it." Click. Well low and behold in two days the train was back on the track, the guy who wrote me the nasty letter apologized, the head of the IRR came over and took us out to lunch, and everything was going again, everything was moving forward, so we got the attention that we needed but only by really being a squeaky wheel. And I don't particularly care to do that, but I know how to do it, and it's a negative effort and I try to refrain from ever going down those paths, sometimes it's necessary.

Researcher (R): So unfortunately in this case you had to call on the guy with the political clout to make, to push it through.

F: Had to, to make it happen. To push it through, yeah. (P45:56-60)

This example was not discussed with agency staff members, and therefore the agency's perspective was not ascertained. This example suggests that having connections to the board is helpful to receive IRR funding. More importantly, it reaffirms that the board is much more powerful than the staff. Recall that in Chapter 4, it was noted that the staff are considered to be economic development experts while the board members are not. This is precisely what Dewar (1986) was concerned with in her critique of the IRR—she felt that the

power of the board overwhelmed the economic analysis and expertise of the professional staff. What the data show here is that those in upper levels of the hierarchy, such as the governor or board members, have more influence than those lower down due to their positions in the hierarchy itself. This is expected from an examination of the IRR organizational structure. However, some higher-level decision makers who are not experts overrule lower level ones with technical knowledge. The governor, board members, and the commissioners are able to overrule IRR staff because they are elites: they are elevated by their positions in the hierarchy and have more influence than the staff members in the process. Similarly, IRR staff members, by virtue of their expertise, are elevated above average community members.

5.2.2 Who Is Influential: Extraordinary Influence

In addition to the influence of those in the decision structure, the data also show that some have more influence than would be expected by their role at IRR. These people are called “extraordinarily influential” and this type of influence is referred to as “extraordinary.” Due to their elite status, both at the IRR and in other contexts, these extraordinary influencers are able to leverage power from outside the agency in order to affect the agency’s decision process. Thus, elites matter in the process because they have greater opportunities to influence IRR decisions than other people. However, while these examples demonstrate this extraordinary influence, they were rare enough to suggest that most projects go through the usual process without benefit of extraordinary support.

5.2.2.1 Leveraging Outside Power: Board Members and Other Politicians

Nine informants highlighted the ability of some elected board members to leverage other positions of power to gain and maintain influence at IRR. Board members are empowered through dual roles. Not only are they officially tasked with approving IRR’s

budget and individual projects, which is their expected influence, but they are also politicians with political responsibilities to allocate state resources. This provides them with additional financial and networking power that can be leveraged to gain advantage on the IRR board. This is their extraordinary influence. Interviews revealed that high profile politicians have brought business to the region by capitalizing on political favors. Some board members are exceptionally influential due to their role within the state capitol. These roles allow them to influence the owners of companies, other board members, and the governor. They use this influence to assist some projects and obstruct others. Finally, they are able to leverage their IRR and capitol power to undermine their challengers in the TAA communities and to protect the formal decision structure which empowers them.

Nine informants suggest that the most influential decision makers at IRR are politicians who have political connections to businesses. Two board members from the area, Jake Anders and Tom Kulich (pseudonyms), leveraged their power as regulators of the state health care industry to open call centers for Delta Dental, a dental health insurance company, in the TAA. An informant involved in the industry noted:

Jake Anders [board member] brought Delta Dental up here basically because he was owed a debt by the CEO of Delta Dental. Delta Dental, we've been on them steadily because they break the law consistently the way they operate... This was a little way to appease Jake, create some jobs and get Jake off their back for a little while. But IRRRB was instrumental in it because Jake was the leader, he was on the board, is still on the board, it was a pet project of his and Tom Kulich [board member]." (P19: 144)

This is an excellent example of how politicians can leverage power within the state legislature to champion a pet project. Here, Anders and Kulich used their legislative roles as regulators of the health industry to coerce⁹ a company into moving to the area. In addition, as board members, they worked as insiders to help get it approved.

⁹ Coercive power is based on one's control of a resource (in this case, the health care regulations) to influence another (Delta Dental) who depends on that resource (Wartenberg, 1991).

Equally revealing, politicians who are not even IRR board members are also able to use their political power to influence IRR's economic development process. A US senator from the Iron Range promoted the Northwest Airlines reservations center in Chisholm. This senator was on the U.S. Senate's Committee on Commerce, Science, and Transportation which regulates the airline industry (P45: 200-226, P8: 17). He used this power to coerce the company to build the reservations center near his hometown. Additionally, he was able to use his power as a decision maker at IRR to influence the agency to favor this project. His leverage in D.C. increased his leverage as a promoter in the IRR process. In this case, the influential politician was not part of the official IRR decision process: he held no position within the IRR. However, according to one informant, he negotiated with the IRR staff and board to ensure that the project received IRR funding.

This extraordinary influence is not always used to bring in businesses to local communities. In another example, Pete Craven, an economic developer on the PAC, said that Jake Anders used his IRR influence to veto a project outside of Anders' congressional district. The TAA encompasses seven counties and Anders refused to support a project that would be about 60 miles from his district.

"He [JA], basically through the grapevine, killed that project by saying "we'll give you the money but you're going to locate it to the east. If you're going to locate it [on the west side] it's gone, we're not going to do it." So he personally killed that project, and if we get [a new business] here, in [my town on the west side of the Range], that helps Hibbing, Virginia, Eveleth, [on the east] because a lot of those people are going to drive here and work. And we have a lot of people that drive to the mines and work. There's a lot of people in Virginia/Hibbing that work [in my town]! So it doesn't matter, I mean if they wanted to build it in Eveleth that'd be great too, people are going to drive through [my town] to shop and stuff like that, and people from here will work there...but he killed that project, yep. (P38: 78)

Though it was not possible to ask Anders about this directly, in his interview he did say that he thinks the IRR money should only be spent in his district rather than across the TAA region. He said that the tax dollars are "my constituents' money" and "that's my job" to

veto projects elsewhere, so it is reasonable that he would use his influence to favor projects in his district only. In this case, there was no one on the board representing the western district and no other board members challenged him. Additionally, since the west side project was supported by professional economic developers in the area, the example suggests that the work of highly influential insiders can overshadow the needs and desires of the community members, i.e. Craven, who promote projects.

5.2.2.2 Dominating Community Members to Maintain Influence

There is another side to the dual roles that the board members have. Not only can board members leverage their power at the capitol to affect IRR decisions, but also they can use their IRR role to maintain their elected positions and restrict community opposition. One long-time IRR staff member, Frank Simpson (pseudonym), noted that some board members have used IRR development funding to coerce local community leaders.

Simpson (S): I mean can you imagine if you're a local elected official [who is a board member] and...you have anywhere from 2 to 5-6-7-8-9 million dollars a year to provide your constituency?

Researcher (R): You'd stay in office for a while wouldn't you?

S: Absolutely....I talked to the community officials and can you imagine how you'd be if you were a mayor and you don't agree with something [that your representative is doing]? But to speak out against that, how you'd jeopardize your piece of the pie, so to speak?

R: Right.

S: So our local elected officials [mayors, economic developers, etc.] were very, very apprehensive about being controversial or being on a cutting edge or jumping in with change simply because they were afraid if they made their elected officials [who were board members] upset in some way then they [the local community] would be regarded unfavorably when they put in their grant requests. So it really caused...a unique political system that we have up here, where a lot of our legislators...would dictate to community officials what they think should happen. Of course they'll deny this up and down, they'd say there's nothing political about this, but the reality of the situation is exactly the opposite. (P16: 48-56)

He continued that this is changing slightly as communities are now usually required to come up with a portion of project funds to supplement the IRR funds. He suggested that

because local communities are becoming less dependent on IRR funds, they have gained some independence from the influence of the board members.

Simpson also stated that the board members have resisted community advisory committees (CACs) which might threaten their own decision-making influence. He critiques the usefulness of IRR CACs specifically because they can easily be disbanded by those in power.

There's been advisory boards put together [by the IRR]...that try to encourage [community] involvement [in IRR decisions]. But there's always that resistance you have from the government side, [the board members think] that "we have the money and we should be the ones that make decisions" so although there's a lot of well-educated people who realize the importance [of community involvement], they [the board] still have that resistance to really letting them [the community] take a lead....

Those politicians on that board have an issue of control and when they see control slipping, when they see control going to someplace else [like an advisory council] they resist it tremendously.

We've formed something that's called the Iron Range Economic Alliance, which brought together all the local community development people, [and] economic development people to talk about regional issues and bring in the [community]—[the IRR] board was vehement against that, year after year they denied funding and we just funded it anyway. (P16: 102-112)

Simpson's example demonstrates that the board members can use their influence to undermine public participation in the process. When he states "we just funded it anyway," he highlights that the commissioner's ability to fund some projects allows her to balance the board's influence.

What is demonstrated in these examples is the board members' ability to bolster their own influence in a variety of ways. With their political power, board members who are also state legislators can influence the IRR's financing decisions. However, they also have the power as legislators to create the structure that keeps them influential. They designed the agency hierarchy from which they receive their expected influence. By locating projects in their home districts, they increase their local influence. This power to help allocate IRR

funds can also disempower community leaders in their home communities as board members have so much influence over where projects can be located, they undermine any community leaders who may challenge them. Finally, if an IRR community advisory committee does appear threatening to their power, they can vote to disband it or deny it funding, effectively silencing dissent.

5.2.2.3 Challenges of Elite-dominated Programs

The efficiency of elite-dominated decisions, that is decision processes controlled by those people elevated socially, was a concern to three informants. Due to the power difference between staff and board members, these informants, including a local business owner, a PAC member, and a former staff member, suggested that projects that get funded due to political support don't always have a strong business plan. In a public meeting, a former IRR employee stated that those projects with good business plans went through the agency staff, but that those with weak business plans often used board support to avoid the staff scrutiny. A local business owner summed up his frustration with this power imbalance:

If we wanted to get some money would we go to Steve, one of the staff members who actually knows what he's doing, or would we want to grab our little buddy Irvin Zain [board member] and shake him down for the money? Well you go to Zain because he's the one that can make it happen, and that's really backwards, it's not a good business plan. (P45: 314)

Another informant, a PAC member, suggested that the problem with the influence of the board is that they support projects that end up failing.

I think they [the agency staff] get pushed by the board, by local interests into some decisions, like I say they've been scammed a few times, I think they've made some decisions that have turned out to be poor ones [because of political pressure]. (P18: 132)

Again, the data suggest that board members are highly influential due to their dual roles and that their influence can overcome the technical expertise of the staff.

In answer to the first part of this research question, the data show that elites are influential in the decision process at IRR. What the data reveal is that the official decision process at IRR elevates some decision makers above others and that these elites have more influence than those at the bottom of the hierarchy. This is not surprising. What is surprising is the finding that some elites can capitalize on dual roles and outside resources to affect the agency more than would be expected from the decision hierarchy. Again, while approval for most projects follows the official process, examples of extraordinary influence by an elite few demonstrates that the local civic culture in IRR decisions privileges elites. These elites can use their extraordinary influence to dominate local communities as well.

5.3 WHAT INFLUENCE DO LOCAL COMMUNITIES HAVE IN IRR DECISIONS?

5.3.1 Local Influence: Community Elites

The results from the previous section suggest that elites dominate the official process. As such, this section examines whether or not local communities have influence at the agency. The data presented here demonstrate that local community elites, rather than non-elite community members, have influence at the agency.

Community members are not a heterogeneous group. In interviews, community members were identified by their position in the community. These people could be divided into community elites and non-elites. Community elites refer to those who are elevated in the community, and include professional economic developers, community leaders, governing officials, and even business owners. These elites were most frequently mentioned by informants as working with IRR. No one suggested that other community members, those who were not professionally interested in the work of IRR, were involved with the agency. In interviews, non-elites were referred to as “Average Joe Iron Ranger” or “average

community members” and included typical range residents such as miners, parents, retired people, and area workers.

Five informants outside of the IRR supported the idea that those who are able to partner with the agency, such as community officials and local business owners, are influential. In general, these informants view community elites as promoters and, therefore, gateways to the agency. One business owner stated that the successful relocation of his business to the TAA from Minneapolis was possible only because of the help he got from his town’s economic development agent in navigating the IRR process (P51:56). Due to their promotion opportunities, community elites have more influence than other community members at IRR. Community leaders, government officials, and economic developers are more closely connected to the agency, as promoters who are involved in the planning and negotiating of projects, than other community members who have only the ability to comment on IRR projects.

Frank Simpson, a former IRR staff member supports the idea that IRR partners with community elites, those with professional abilities that fit the agency’s work. He notes:

We’ve formed something that’s called the Iron Range Economic Alliance, which brought together all the local community development people, [and] economic development people to talk about regional issues and bring in the [community].
(P16: 102)

As revealed in section 5.1, IRR partners are community officials, economic development agents, and local business owners. These elites have influence by virtue of their official positions within the community that allow them to be included in some IRR ventures. This leaves the issue of non-elite community members: what influence do they have at IRR?

5.3.2 Local Influence: Non-elites

The analysis of the input mechanisms for community members at the agency demonstrates that local non-elites have little influence. First, community input is most commonly envisioned among informants as coming to IRR through commentary mechanisms. Second, IRR's community advisory committees offer little influence to community members. Finally, there were only two examples of collective mobilized community groups affecting projects in the interviews. In short, ordinary community members have little influence over the economic development carried out in their name.

5.3.2.1 Commentary Mechanisms for Non-elites

While the most commonly cited input mechanisms for community members were commentary mechanisms, the elective use of these mechanisms requires that community members are aware of the agency's work. However, most informants did not think that the public was very aware of what takes place at the agency. A local reporter said

I don't think the average everyday Joe really knows much about what goes on there or what's done. You know, obviously they've got a website and post a lot of stuff on there but you know, there's not a lot of visibility....People don't hear much about the agency until they actually hold a meeting. Or, you know or right before the meeting, they'll send out information to the media on what's going to be on the agenda at the meeting, what projects are going to be considered, and most people, sometimes even the board, I think, doesn't know exactly what's on the agenda until they get it in the mail. And so I don't think that the general public, other than what they see on TV or read in the papers, has a real good handle on how the agency works, how the decisions are made....[T]he public just gets a snapshot, I think, of what goes on there. (P10: 115)

Most informants agreed that though the public knows about the agency and is concerned about it, they do not have much awareness about the agency's decision process. The IRR's public meetings are aired on public access TV but these informants suggested that most people get information from articles in the local papers. Therefore, while commentary

mechanisms are available, community members must actively search for the information necessary to use them.

Moreover, the lack of public information is seen as inherent in the process. Most informants acknowledged that confidentiality is required to develop economic development deals. If an IRR deal to move a company to the region is well-publicized, competing regions could use that information to court the company as well. Therefore, the public knows little about a project until it comes to the board, and even then only the bare minimum the deal is revealed. The agency makes as little information public as necessary. An agency executive said:

First of all, even though we're a public agency, we also operate with confidentiality agreements and try to preserve the confidentiality of our clients right up until um, the time when the information becomes public at a board meeting. And so, we really work hard to, to keep the lobbying and the, you know, public information, to um, to a minimum and only to the standards of the law. (P17: 85)

Recall that it is part of the professional economic development ideology discussed in the literature chapter to withhold information from the public and to involve the public as little as possible (Vogel & Swanson, 1993; Rubin, 1999). This practice limits how much community members can comment on projects and programs at IRR.

The tendency to limit information is also apparent in how the agency deals with the community members on IRR community advisory committees (CACs). While the TAC reviews all project details, other CACs are not as well-informed. One PAC member noted that even when IRR is working on a project, "the discussions are confidential so there isn't a lot of information that the agency can give us" (P54: 64). This lack of information about the agency's projects limits the influence of CAC members. Only promoters and staff directly involved with a project have access to information about it before it goes to the board for a public vote. Others, both CAC members inside the process and community members

outside the process, are not informed about projects enough to comment on them or to contribute to dialogue about them.

5.3.2.2 Community Advisory Committees: A Place for Community Non-Elites?

Within IRR, the TAC is the only community advisory committee with official decision-making power. TAC members examine proposed funding packages and either approve them or recommend changes. Other CACs have no official say in the decision process, but may have some influence over specific programs. For instance, recall that the Ironworld Task Force examined the organizational structure of Ironworld and made recommendations to the agency for its re-structuring (Commissioner's Task Force on Ironworld, 2004). However, the commissioner and the board decide whether these recommendations are adopted. Effectively, the nature of all CACs at the IRR, except the TAC, means that their influence is minimal—they can only influence the process in so far as they can access influential people in the process. It remains the duty of agency leaders and board members, not the CACs, to determine projects and programs at the agency.

Since the PAC is cited as an important mechanism for community input by agency executives, the research focused specifically on the PAC and the influence of the PAC members. The evidence suggests that the influence of the PAC is small and uncertain. It does not have a formal role in the decision process as members do not vote for or against anything. Even PAC members note that their influence is only an indirect one dependent on the commissioner. One PAC member stated,

all we can do is bring feelings primarily. Some facts, but primarily feelings and perceptions to her and *she'll deal with them as she sees fit*. I don't think that we're really in a position to make (how do I want to put this?), to achieve a given goal with her. We can help shape her thinking and maybe direct her in what's perceived in the community. But she's the one that has to decide how the agency is going to respond to that (P26: 74, emphasis added).

While four members think that their input gives the agency pause, five others are not sure if they are ever heard at all. For example, one member said

I do think we have an impact on some of the things the commissioner does, I think that and I wouldn't say it's a great impact, but I would say she comes to us with ideas and gets input and that occasionally that input, well that input is either going to confirm what she was already thinking or what the agency was thinking, or issues might be raised that she hadn't thought about. Which would then cause her or her staff to go back and rethink something or reformulate something in a different way, and I think that has happened from time to time (P21:36).

However, another PAC member was more doubtful: "[The IRR has] all these advisory committees, I mean we're just one of them, if you look in their booklet they've got a hell of a lot of advisory committees. And I'm not sure they listen very much to any of us really" (P19: 160). This uncertainty of their own influence at the agency suggests that PAC members perceive that they do not have much influence at IRR.

There are a number of reasons why the PAC's influence is unclear. First, the structure of the PAC, as a typical community advisory committee, does not allow for formal decision-making, so that clear decision influence does not exist. Secondly, two informants, a PAC member and a staff member, suggested that the PAC is too disparate to wield collective influence at the agency. "Everyone has individual concerns and problems. We have 20 different members on the [PAC] so we have 20 different concerns" (P13: 131). Unless the group rallies around one issue, they will likely continue to wield little influence.

The PAC is also without much influence because, as with other CACs, its members are hand-selected by the agency. Two informants suggested that PAC members were politically connected to the agency. First, a board member suggested that the commissioner "puts all the Republicans on [the PAC]" (P20: 151). With less vehemence, a second informant, a PAC member, said that he assumed that members are chosen to "give [the commissioner] the answers she wants to get" (P18: 80). Both informants suggest that one is

invited to participate due to connections to IRR decision makers. When discussing this issue at a public meeting, other respondents concurred that the agency selects PAC members that are connected to agency decision makers. These respondents suggested that it is also unlikely that these connected participants will significantly disagree with the agency's position, goals, or ways of working. Because they are selected by the agency, they already agree with it. Also, if members were to begin to disagree with the agency, the PAC could easily be disbanded because it is entirely dependent on agency support for its existence.

Similarly, the PAC is not encouraged to raise larger questions for the agency. Neil Abbott, a PAC member, suggested that PAC members do not hear about a project until the agency is "too far down the road" with a project to address any concerns—and certainly too late to withdraw or significantly alter the IRR's commitment to it (P32: 83). He also noted that the PAC was not asked to think deeply about the agency but just to listen to presentations. In the two observed meetings, no PAC member questioned why a project was pursued, how the agency saw projects fitting into its overall goals, or whether these goals are even appropriate for the region. Rather, the conversation focused on the specific effects of specific projects. Two PAC leaders both concurred with my analysis in follow-up interviews in August 2005. They suggested that PAC meetings were more about getting information to the PAC and not about having a deeper discussion of the agency, its goals, or its projects. Rather, the PAC is useful to the agency in that it passes along the agency's perspective to local communities.

Five PAC members emphasized that they are not experts, and that it isn't their role to look into the details of projects. Andrea Nathan noted that because some PAC members want to have input on specific projects, they have been frustrated. However, she emphasized that "we're not experts! IRR is paying experts to figure out that stuff." To her,

the PAC role is more to ask “what about this effect?” It’s the role of the PAC to provide networking—“connections we can do.”

In 20 interviews with 18 PAC members, only one example of influence of the PAC really came through—the revision of the PAC’s role with the new commissioner. Though mentioned by multiple informants, no other concrete examples of influence could be found. In this case, the revision of the PAC’s role is in line with the description of a CAC. They are able to set their own agenda within the limits of the organization. However, the role of the PAC remained what it had been—advisory to the commissioner, dependent on the agency, and informal.

In August of 2005, the researcher reviewed this conclusion with a one-time PAC chair. He agreed that he hasn’t seen any examples of the commissioner saying “you guys told us this, so therefore we tried that.” He did feel that the agency’s position toward one PAC member’s pet project had shifted. He was not sure if the project would be funded, but he thought the PAC member had convinced the agency to look at some natural resource projects differently than they would have in the past. Another active PAC member, however, disagreed, suggesting that he and other PAC members have been unsuccessful in moving pet projects forward. This exemplifies that the PAC’s influence is subtle and hard to confirm.

In short, although the PAC is cited by IRR staff as an important input mechanism for guaranteeing popular participation, the data suggest it has little influence at the agency. PAC members agree that their influence is small and that their purpose is more to connect the agency to the local community rather than influence IRR policies. The PAC lacks influence for a variety of reasons. Structurally, it cannot make any formal decisions and may be disbanded by IRR at any time. Additionally, the PAC is very diverse, and so far its

members have not coalesced around a single issue or position so they cannot yet speak with a group consensus. The PAC is a typical CAC in that it is controlled by IRR and has little ability to affect decisions there.

5.3.2.3 Mobilized Community Action

The data suggest that as commentators, local community members who have no official role within the IRR have virtually no influence over IRR's decision process. Only two informants provided examples of local community members directly influencing IRR projects. Both referred to mobilized groups of community members opposing proposed projects to such a degree that the projects were shut down. Quincy Harris (pseudonym), an IRR board member, noted that when the IRRRB was considering funding an alternative school for problem students, the residents of the town it was planned for rejected the idea. As a community development, rather than economic development project, it is more acceptable to have public input on something such as a new school. Greg Xavier (pseudonym), an IRR staff member, recognized that community opposition actually put one IRR economic development project out of business (P116: 189). He noted that when a fish farming operation was opened in one of the mine pits, community members were concerned about the waste contamination in adjoining community water supplies. Because water safety is what Xavier called a "hot-button" issue, the dedicated community group "basically drove [the fish farm] out of business" (P116:189). This example suggests that more local input in the decision process might have rejected the project before it received funding from IRR, or might have worked with the community to ensure that the project was safe. However, the overall conclusion to be drawn here is that local communities have little say in the IRR decision process and can only influence decisions by rejecting them outright.

While the interviews uncovered a large number of ways for the public to comment on IRR projects, one informant did suggest that community members choose influential IRR people through the political process. An IRR staff member suggested that community members were influential because

[I]n a representative democracy, the biggest place they [community members] have input is at the polling places. And that's, I mean the commissioner is an appointee of the governor, we all know how he gets his job, we have ten elected board members...[who] have a lot of input to begin with...they're [the board members are] given that power through their offices (P116:77).

This suggests that he believes that community members have the opportunity not just to comment on, or promote, or make decisions about projects, but that they can actually choose the decision-makers themselves. However, since even elected board members are appointed by legislators in St. Paul, no other informants felt that community members could realistically choose those making decisions at the agency and they were, therefore, not influential in this way.

5.3.2.4 Summary of Community Influence

The data suggest that non-elite community members have only an informal role using commentary mechanisms. Even PAC members, whom the agency touts as community participants, have no direct influence. The only other examples of community involvement deal with consolidated groups of community members rejecting two projects. Beyond “selling their communities,” most Iron Rangers have little influence in their economic development. Overall, though there are many participation mechanisms, community members have little influence over decisions at IRR while elites have much more.

5.4 DISCUSSION: WHY ARE INPUT MECHANISMS AND INFLUENCE STRUCTURED IN THIS WAY?

To answer the final research question, the study considers the theoretical explanations for why the decision process is shaped the way it is, and how that process reflects the power of those who created it. First, it examines how the IRR case exemplifies the various forms of participation discussed in the economic development literature and why. Second, it explores how competing ideologies combine to marginalize local communities.

5.4.1 Participation

Because technical expertise is so valued in economic development as practiced at IRR, community members' participation in decision making is limited. Not only are input mechanisms amenable only to low levels of influence, CACs serve as bureaucratic lubricant rather than devolved analytic decision-making bodies.

The input mechanisms at IRR offer participation opportunities in which participation is limited to information-sharing or review. Community members can attend public meetings or read about IRR in the local media, and PAC members are expected to relay IRR information to their local contacts—this is clearly informational participation as Sullivan (2004) describes it. Locals can also offer commentary to agency staff, board members, or their local professionals partnering with IRR—what Sullivan (2004) labels review participation. Interactive participation is rare at the agency, with only TAC members involved in making decisions. Especially when community elites have more access than community members, IRR is consistent with Sullivan's (2003) study of economic development organizations where non-elite community members are involved through their local government officials rather than directly. On the Iron Range, economic development professionals and community officials are promoters while businesspeople and bankers are

TAC decision-makers. However, non-elite community members have few opportunities for interactive participation, and even when they do (as members of the PAC, for example) their influence is constrained—the agency determines their duties and can override their decisions.

5.4.1.1 Overwhelming Elite Influence

As IRR decisions are made in the process, the elites in the process marginalize the communities outside the process. The researcher examined many examples of the board and other elites' dominance in the decision process. The data show that certain board members could influence the process to both bring in businesses and to deny projects. While Wartenberg (1991, 11) suggests “only by paying attention to the particular use of power that is at issue is it possible to specify whether power is harmful or beneficial,” the research focuses on who wields the power. The data offer examples of Jake Anders using his connections to bring call centers to the region while also refusing to support a business project outside of his congressional district. These instances exemplified the high influence of some board members and clearly demonstrate a preponderance of influence in the board.

The ability of some politicians to leverage other power that reinforces their influence over IRR decisions is part of the local civic culture of the IRR. Reese and Rosenfeld (2002, 30) note that the effect of power is to utilize resources to achieve one's goal. In this case, the board politicians are most able to influence the IRR not only because they make up its governing group (their expected influence), but also because they can leverage a great deal of resources across those spheres of influence (extraordinary influence). On the other hand, the commissioner's power both to bring a project to the board and to veto a project is direct and due to her role in the hierarchy. Only those, such as Warner Brothers, who can influence the governor can alter her decisions.

5.4.1.2 Accountability

Unlike the five business leaders who suggested that economic development should be done by “the private sector” or IRR staffers (as the experts who understand it), community leaders suggested that the political leaders who represent them are more accountable to the community. They suggest that community projects get more assistance if supported by community leaders connected to board members.

Part of local marginalization is due to the organization hierarchy in which elites are accountable to other elites and only slightly to local communities. IRR’s leader is appointed by and responsible to the governor. Local communities do not determine who the commissioner is or what goals she has for the agency. The agency’s transition from community infrastructure programs to business recruitment and tourism efforts may not be supported by the local communities. In fact, Roberts (1996) suggested that the agency improved the quality of life of Iron Rangers as long as it focused on what they valued—community infrastructure development. The new emphasis on job recruitment was not valued by TAA community members in Roberts’ survey.

There is some direct accountability to local communities because elected board members are accountable to their constituents. Since a majority of board members must have 50% of their constituency in the TAA, some local communities have direct representation on the board; other local communities have no representation. Some board members are not from the TAA and so those board members are accountable to constituents far from the Iron Range. One board member (P20) suggested that a legislator’s actions on the IRR board are closely followed by the local community and that his actions there are more scrutinized than his actions in St. Paul. However, another board member (P22) disagreed and said that he gets much more scrutiny from his constituents about what is

taking place at the capitol than at IRR. The recent addition of three appointed “citizen” members (meaning residents of the TAA) further distances the board from local communities because these citizens are directly accountable to those who appointed them—the governor, the speaker of the house, and the senate majority leader—not their local communities. Said one citizen member: “Who do I represent? No one elects me!” (P20: 59). This suggests that legislative board members, while accountable to their constituents, are not necessarily responsible to the people of the Iron Range and that citizen board members are no more so.

Finally, agency staff members are accountable to the governor and commissioner—and work with board members to approve their projects—but do not see their primary accountability to the people of the region. However, in interviews they did say that their economic development work has the goal to “improve local communities” and they attempt to do what’s best for the region. Most staff members live on the Range and many grew up there so they say they know the communities and can do what is best for them. One staff member noted that his position is very public and that even in the grocery store, people ask him to explain projects they have heard about and tell him how they feel about them (P116: 79). This demonstrates that while they have no official accountability to community members, IRR staff members may be influenced by them, or at least interact with them.

Though the staff may have some connections to the local community, little accountability to community members is built into the agency’s structure. This lack of accountability may be one reason why informants did not perceive the agency as responsive to the needs of the local community. This contrasts to the past, when the agency was more involved with community infrastructure projects. With community projects, “having that

broader public support in the community was very important” (P21: 104) but with economic development projects that is no longer the case.

The lack of local influence, especially in the formal agency hierarchy, exemplifies some criticism of elite-driven economic development: agencies such as the IRR can make decisions which affect whole regions with little consultation with or accountability to locals. MacAuley (2004) focused on the importance of agency accountability to ensuring the needs of the community are met. In contrast to this accountability, the Anders examples show that IRR can be used by decision makers to address their political aspirations and to assist those to whom they are well-connected. Stiglitz (2002) agreed that accountability to communities created better economic development decisions—which is also what three informants suggested. Terry Fitzgerald, a local business owner, and Frank Simpson, a former IRR staff member, claimed that promoters who relied on political contacts often had poor business plans, while PAC member Gavin Tucker also noted that political pressure had forced the agency into bad economic development choices. This shows that elite influence is often problematic in economic development decisions and more public involvement would better meet the needs of local communities.

5.4.1.3 Community Advisory Committees

Because the Partners Advisory Committee (PAC) is cited by the IRR staff as a key avenue for community input, and because it provides an excellent example of the community advisory committees (CACs) described by Renn et al, (1995a), the research examined the influence of PAC members in detail. The data show that the PAC has no official role in the decision-process at the IRR because it can only influence the commissioner’s thinking. Moreover, PAC members themselves do not feel as though they have much influence over the agency’s programs or policies. Finally, some suggest that the

PAC should not be particularly influential because members are not economic development experts.

As a sounding board, the PAC is expected to pass information on to contacts in local communities, spreading the IRR's message beyond those few who attend meetings or visit the website—which makes it an informational participation mechanism. The PAC is a tool for the IRR, an instrument (according to Cornwall, 2003) to be used to further the goals of the agency—not to broaden the agency or make it more responsive to the local community. Though the PAC also discusses some projects, review participation is limited because PAC members don't hear about a project until the agency is already supporting or funding it (P32: 83). Though there are a number of reasons to create CACs with local community members at public agencies such as the IRR, the PAC is a typical example of the CAC input mechanism (Renn et al, (1995a). The PAC is helpful for smoothing the bureaucratic process, a low influence and information-sharing form of participation. This is consistent with what Reese (1997) found, that economic development advisory boards play a buffer role between developers and the public. This exemplifies how IRR views the PAC and its other CACs.

The PAC's information sharing purpose differs from higher levels of participation in which these community members could be making decisions about economic development. If IRR would cede some control over decisions to, or at least engage in open dialogue with, community groups such as the PAC, according to Brett, the agency could do better work by increasing the perspectives taken into account (2003). Rather, IRR staff, by purposely selecting PAC members who are regionally and professionally diverse, recognized the importance of increasing the perspectives taken into account by decision makers, but do so

without significantly dialoguing with or devolving any decisions to these community members.

Additionally, more transformative modes of participation could also enhance the capabilities of local community members. Brett (2003) agrees with Sullivan (2004) that what would be Cornwall's (2003) transformative participation is necessary for effective democracy and developing the abilities of community members. The IRR doesn't view community participation on the PAC as an opportunity for democratic representation or accountability to local communities—rather this role is played by the IRR board (which was already shown to be only slightly representative of the region). The PAC does provide some legitimacy as Gavin Tucker, a PAC member, noted in his interview, but this contrasts with its lack of accountability to communities. With transformative participatory opportunities, community members might learn enough about economic development to initiate creative, unique programs suited better to their needs and values than those created by the IRR professionals. This, however, is not the PAC's purpose.

The limits placed on public participation at IRR are supported by some theorists (such as Dewar, 1986; Beaulier, 2004) who argue that devolving too much power to local communities or community groups can result in poor choices. This is one of the basic tenants of the elitist theories examined in the literature review. This belief in professional expertise is supported by those informants who feel that politicians are making poor choices because they are making political deals rather than economic judgments. However, in the theory there is great disagreement over whether experts make good decisions. The interviews elicited the same disagreement.

5.4.2 Coercive Power

Influence is shaped at the IRR consistently with Wartenberg's (1991) coercive power. First, some board members can coerce local government officials because they can control IRR resources. Frank Simpson explained that city mayors were unable to take a position that differed from the board members' position for fear of losing IRR funding. Even if the threat is subtle or implied rather than openly stated, the board members clearly had the resources to coerce the local mayors.

In addition to coercing communities directly, board members can ground their coercive power in other power bases (Wartenberg, 1991). Not only can they coerce local government through their almost hegemonic control of all economic development funding in the region, they can also coerce other board members through control of other political resources in the capitol. In this way, a senior legislator such as Jake Anders can single-handedly reject a project from outside his constituent group—especially if it came from a community without representation on the board. Obviously, this sort of influence is not always successful or necessary to fund a project, but six examples mentioned by the informants demonstrates that it does happen.

Coercive power can be self-sustaining because the powerful (subtly and incidentally as well as intentionally) construct the structures that then reinforce their own power. In the 1970s, Iron Range legislators used their influence at the capitol to redesign the governing structure of the IRR so that they could control its funds—the funds they can now use to coerce local communities. Since the only way to change the governing structure is through state legislation, informants in both interviews and public meetings noted that it is unlikely that the legislators will give up their privileged role in the decision structure. This is an excellent example of the powerful using their power (in the legislature, at the time, the Iron

Range delegation was quite powerful) to structure the agency's governance so that they would maintain their power.

In short, the IRR case is consistent with the literature. Staff members distance decisions from the public and elites dominate the decision process through their coercive use of power.

5.4.3 Competing Ideologies

The form of economic development practiced at the IRR is typical of economic development across the nation in that it is controlled by elites and there is little public participation. This marginalization of local communities creates a cycle of apathy, distance, and mistrust between economic developers and community members. The overwhelming influence of elites leaves community members with virtually no influence in their own development. The imbalance is hidden in competing economic development ideologies—each of which marginalizes local communities in favor of competing elites.

At IRR, there are two competing ideologies regarding who should make decisions. First, politician board members conceptualize political representation as the guiding legitimization of economic development decisions, and base this framework on the right of communities to have representation in how their taxes are spent. This belief informed the governing structure, which gives legislators considerable power in the agency's funding process.

Second, the IRR staff exemplifies the ideology of technocratic economic growth. Recall that this concept is based on an appeal to expertise even as it masks the control of elites and the distancing of decisions from local communities. If this ideology gains currency in the community, the decision structures which now empower politicians may eventually be replaced with ones which favor the bureaucratic experts. Additionally, while the board can

legitimize its role with the concepts of political representation, board members can also embrace the technocratic ideology as far as how economic development should be done at the agency. The agency's shift from community infrastructure to business recruitment efforts was made with the consent of the board and demonstrates a shift from a locally based economic development ideology to one focused on economic growth through recruitment.

The data offer many examples of these differing ideologies and shifting conceptualizations of economic development on the Iron Range. When PAC member Andrea Nathan (pseudonym) suggests that the PAC should not be making decisions about IRR projects because “we’re not experts” (P117: 15), she is adopting the economic development ideology that privileges a specific type of expertise over her own knowledge and that of other non-professional community members. Foucault (1980) would have said that she is limited by the dominant discourse that frames the debate. When community leaders argue that local board members are more accountable to them than staff members, they adopt the political representation ideology. Similarly, when local business owner Chris Porter argues that board members “should not be one bit politically motivated, they shouldn’t be elected” (P9: 134), he rejects that political representation ideology. While it is possible that a shift toward the expert-driven framework may eventually alter the decision structure which empowers legislators, the power of legislative board members to structure the governing process means it is likely that these ideologies will continue to compete for some time.

5.4.3.1 Expertise in Economic Growth

IRR is clearly elite-driven. Those who dominate the decision process include legislators, business leaders, economic development professionals and government agents—

not average community members such as workers, parents and retired residents. As shown in Chapter 2, economic development ideology disguises its elitism by supporting technical expertise. Dewar, in her 1986 critique of IRR's governance structure, was part of the larger economic development literature that was pushing for an expert-driven approach to development. Since that time, the economic growth focus has overridden community development initiatives at the IRR. This ideology focuses on economic indicators, such as job creation and expanding tax bases, above other community concerns and results in less democratic decision making structures (Vogel & Swanson, 1993). When the IRR focused on community infrastructure, success depended upon community support. However, as the IRR moves its focus more toward economic development, local communities have fewer opportunities to participate in their own development.

The problem with this focus on expertise is that it often masks the elite influence over the process. Though the bureaucratic decision process is meant to improve the decisions made at the IRR, the study found that the structure allows those promoters with elite contacts to circumvent the economic analysis in the decision process. Reese (1997) and Wolman and Spitzley (1999) note that decision rules could be used to decrease developer uncertainty and we see that these rules, which include the decision hierarchy and process of the IRR, can trump economic analysis. For example, when the governor required that agency fund the *North Country* movie rebate, there was no economic analysis done by the IRR to determine the benefits of the action or its opportunity costs. Rather than expertise, those with contacts to the governor benefited. This demonstrates that elitism continues to dominate economic expertise at IRR.

Elitism interferes with local participation as well as economic analysis. IRR staff comments were consistent with Rubin's (1999) findings that economic development staff feel misunderstood by the public. One IRR staff member noted that

I think...most people...in general they would know what we do and they might have more specific knowledge about some area that is especially interesting to them. But we're fairly diverse, you know, we do a number of different types of programs so they, I venture to guess that there's not that many people other than perhaps professional developers or certain city officials that would have applied to us for grants or interacted with us, that probably have a real good grasp of exactly...the entirety of what we do and more specifically exactly how we do it. (P12: 129).

A retired IRR staff member agreed: "it's surprising, as long as I've worked there, how many people, the average person does not know what the agency does and how intricate and dynamic of an agency it is" (P16:122). Another key community member noted that "I don't think the average everyday Joe really knows much about what goes on there or what's done" (P10: 115). This feeling of being misunderstood by the public could be one reason that public participation is not highly regarded at the agency. Rubin's (1999) study exemplified this attitude, noting that a feeling of public judgment motivated economic developers to move decisions out of the public view and to adopt bureaucratic processes that favor business over local community perspectives. At IRR, most decisions are made inside the agency, with only final details and plans available for public review at public meetings. The IRR's insistence that community members must know the agency to participate is one way to shift decision power away from community members—it limits participants to those who already agree with the agency. It also privileges the agency's goals over those of community members.

5.4.3.2 Use of Input Mechanisms

In addition to making decisions out of public view, the local civic culture at IRR also affects how formal input mechanisms are used and by whom. Though the data show three

main categories of input mechanisms for community members, most commonly mentioned were commentary mechanisms, including attending public board meetings or other public forums (9/49 interviewees), contacting a board member (11/49), and contacting the agency's partners (16/49). Another common response was participating on an advisory committee, which is considered an insider mechanism, (14/49)—but this was mentioned by 6 PAC members and 5 agency staff—only 3/15 others mentioned it and no board members mentioned it. The fact that there were 15 possible mechanisms mentioned by a few respondents suggests that few people actually know of or use all possible mechanisms. Rather, most people are aware of 3 main commentary mechanisms and 1 insider mechanism.

At public meetings discussing this research in August of 2005, informants were asked, all of whom had already been interviewed in earlier stages, to talk about their experiences with the agency. They noted a number of various mechanisms, including public meetings, contacting the commissioner, and promoting projects. They stated that barriers to using these mechanisms include a lack of trust in the agency, feeling ignored or biased-against, and logistical hassles which all contribute to a lack of local use of input mechanisms in IRR processes, either as insiders, promoters, or commentators.

Most informants suggested that it was uncommon to attend IRR public meetings, even though nine informants mentioned it as one way to be involved. A community leader in the Hibbing public meeting suggested that it is very hard to find meeting notices in the local papers. Another, a PAC member, added that occasionally the board meets in St. Paul because that's where the board members happen to be—this is a distance many Iron Rangers cannot or will not travel to participate. These logistical barriers dissuade local community members from participation. Rather, local elites attend instead. A local community reporter summed it up well:

Respondent: It's pretty much the same people all the time [who attend public IRR board meetings]. Very rarely are there any real public people that come to show up. It's the same government officials, the county commissioner of [a local city] will show up the meeting. A few economic development people from these other entities...will show up at the meeting. You know, I mean, generally there's maybe 20 people watching the meetings, you know. People that are involved in economic development, or maybe a city official who has a project being considered, maybe a city administrator or something that that shows up or maybe a mayor. But other than that, the general public, you don't really see the general public at the meetings.

Researcher: Are they at all, I mean, are they invited to speak or comment, or do they get the floor, or not so much?

Respondent: If you contact the board ahead of time they allow public input at the beginning of each meeting, they usually try to limit it you know to like three minutes or five minutes at the most. That doesn't happen a lot. It does on occasion, but they do allow people to talk, kind of whatever they want to talk about that's not on the agenda right at the beginning of the meeting, if they don't forget to do it, which they have done. (P10:119-123)

This informant is pointing out that there is little public participation at public meetings and that what participation there is, three to five minutes at quarterly meetings, isn't very meaningful. This exemplifies Renn et al.'s (1995a) point that local community members will not participate in public decision processes when their opportunities to do so are token.

Since public meetings are not well attended and offer little influence, the study also examines other commonly mentioned mechanisms. Only three informants discussed the possibility of contacting the agency or commissioner directly either with project ideas or with comments on proposed projects. One community member with decades of experience working with the agency stated that former commissioners had been very unresponsive to her community's attempts to promote projects. She had been involved with a project to bring a large festival to Ironworld—a tourist heritage center which is managed and funded by the agency. She recalled that two successive commissioners in office during her project did not return her phone calls or those of other project supporters. Even as the project gained momentum in the area, with increasing numbers of supporting community groups, she said the commissioners “never even had the courtesy to respond.” Because the festival

needed to use Ironworld, the only appropriate facility in the region, the lack of agency cooperation meant there could be no music festival. This made the active community members feel useless and discouraged—they became less willing to promote ideas to the agency or to work with the agency according to the informant. This example demonstrates that community members might not be willing to go to the commissioner or to the agency when they feel ignored.

Local business owners also noted many barriers to promoting their business projects to the agency. Some, including those at the public meetings, were frustrated with IRR's focus. One felt that IRR concentrated too much on big business and that they were unwilling to help his smaller business succeed. This was a common concern among many informants, both business and community leaders. While six staff and board members and a former TAC member stated that the agency treats small local businesses the same as larger businesses, ten other informants (including local business owners who haven't received assistance, community leaders, and PAC members) suggested that the agency limits itself to large outside recruitment efforts and neglects local businesses. Since small businesses are the primary locus of job growth in the U.S. economy (Small Business Administration, 2005), a focus on large industry could limit the effectiveness of IRR. More importantly, the common perception that the agency focuses on large business also constrains local business owners from approaching the agency.

Two other local business owners offered another example for how the IRR biases programs toward large outside businesses. Terry Fitzgerald and Mark Flynn, business partners who had expanded their business with the help of an IRR funding package, witnessed great confusion over the issue of grants and loans. They concluded that local

businesses get loans (to repay to IRR) while outside businesses get grants (which do not have to be repaid).

Fitzgerald (F): We had first asked them about grants, they said “well there’s no grant money available, we don’t do grants.”

Mark Flynn (MF): He was emphatic.

F: “There’s no grants”...So then we applied for the loan and everything, we get to the meeting to get our final approval for this [loan] and [a citizen board member] says...“now I’m a little confused here. Tell me what the difference is, some people get loans and some people get grants. What is the difference between the ones that get grants and the ones that get loans?” And one of the legislators said “we don’t give grants. We do not give grants. There are no grants available. We do not do grants.” [the citizen board member] said... “okay.” And within 5 minutes they approved three grants and three loans. We got loans. The [grants] were straightforward grants, Blue Cross/ Blue Shield got a grant... I’m glad those jobs are here, those are good jobs, but gee it would’ve been nice to have some equal treatment! (P45: 322-326)

To these business owners, this exemplified that their business was worth much less to the agency than an outside business and that that’s why the other companies got grants instead of loan packages. Though a former member of the TAC at the Hibbing public meeting claimed that these perspectives were no longer accurate and that local small businesses now have equal weight with the agency, other informants at both public meetings, including PAC members, community leaders, and local economic development professionals, did not see a difference in action at the IRR. Rather local business owners feel ignored and devalued and are discouraged from working with IRR.

Finally, a lack of trust in the agency also dissuades local business owners from promoting their ideas to the agency. One local business owner stated that his idea was taken by the agency and given to a competitor. During his interview and at a public meeting, Chris Porter (a pseudonym), a local business leader, shared his experience. A craftsman by trade, he noticed that local business often did not use local professionals but rather contracted with people outside the area. He worked with a local website designer, Don Quirrel (who

supported the story at the public meeting) to build a site which included listings for local craftsmen and independent workers, local businesses, area economic development agencies, area service providers, city and county governments and others. For example, engineers would be listed and when a local plant needed some engineering work done, they wouldn't have to look to the Twin Cities to find an engineer with the skills they needed. A few months after proposing this idea to a contact at IRR and receiving no response, Porter said that he gave up, paid for the development of the site himself because he felt it was vital to the economy of the region, and began compiling a large number of local providers on the site. In early 2005, he then heard that IRR had contracted with a community group, one the agency had organized, to develop a website tool just like the one Porter had proposed. Porter stated that this was a significant breach of trust. The experience has left Porter, Quirrell, and their associates hesitant to approach the agency with ideas in the future. The person Porter contacted at the agency no longer works there and my other informants did not know of this incident so it could not be determined what happened at the agency. However, not only did Porter and Quirrell feel unable to trust the agency, others at the public meeting who heard Porter's story were also troubled by it.

This distrust is exacerbated because the agency keeps a significant part of its work out of the public eye. However, the secrecy bred by community distance from decisions contributes to a vicious cycle of increasing distrust and distance. This supports Stiglitz's (2002) claim that secrecy alienates communities from developers. In this case, the secrecy of the IRR decision process has created a feeling that outside businesses are prioritized (given grants) over local and small businesses (given loans). Though insiders, such as a former TAC member who came to a community meeting, insist that this is not the case, local community members and business owners have no view into the private dealings, so they

can never know just exactly what happens there and they become distrustful of the process. The secrecy then reinforces the distrust: when local business people such as Chris Porter do not understand what happened to their project, they feel as though they have been ignored in favor of some other interest. They then voice their frustration through criticism of the agency—which causes staff to want to keep even more decisions out of public view (Stiglitz, 2002).

These barriers to public participation are linked to the ideology of economic development at IRR. The desire to distance the process from public critique causes distrust as was just described. Similarly, when local business owners witness grants going to others, they get frustrated and are unwilling to work with the agency so they are lost from the process as well. The emphasis on technocratic expertise over local community knowledge also discourages participation. Finally, even logistical hassles are a result of the elite-centric ideology—public meetings take place at the capitol because it is convenient for the board members and the concerns of community members who might want to participate are marginalized.

5.5 CONCLUSION: COMPETING IDEOLOGIES MARGINALIZE COMMUNITY MEMBERS

The data show that coercive power, based on competing ideologies, functions to distance decisions from communities and put influence in the hands of politicians and experts. The research finds that the IRR is consistent with what is expected from the literature and its local civic culture is dominated by elites while the economic development ideology masks the elite influence. Community members are excluded from the official hierarchy and can influence the process only through their connections to decision makers. This results in a technocratic process that can (though certainly not always does) be used to entrench the power of elites and marginalize public participation.

6. CONCLUSION

This thesis explored how community members are involved in economic development decision-making. As with other public work, economic development is a complex decision process in which some decision makers determine programs affecting entire communities. Reese and Rosenfeld (2002) developed the concept of local civic culture to examine how decision makers come to power and make economic development decisions. LCC describes the formal and informal decision-making rules and expectations. This research explored the LCC at IRR, describing the decision process and uncovering the input mechanisms available to community members to participate in IRR decisions.

The economic development literature has also found that elites often dominate policy-making and that business perspectives take precedence over community goals (Rubin, 1999). Scholars have begun to focus on the implications of this elite bias, and a number have called for more public participation in the economic development policy-making process (Sharp *et al.*, 2002; Sullivan, 2004). Wolman and Spitzley (1999) suggest that contrasting the roles of a variety of actors, including officials, experts, and lay people, in the decision process will uncover how they work together to create policy. As such, a second goal of this thesis was to examine the people in the process to understand who is influential at IRR.

Finally, once the LCC of decisions and the influence of those involved were clearly understood, the research went a step further to explore the ideologies which frame this LCC. Ideologies underlie the decision rules, the LCC: they are the systems of beliefs upon which the rules are based. These underlying belief sets legitimize the local civic culture which formally empowers decision makers. The literature suggests that the current economic development ideology legitimizes business concerns over community ones. Thus, the final

focus of the research is to understand the ideologies that create and legitimize the decision process at IRR. Uncovering these ideologies and how they empower elites is the first step in mobilizing public participation. By making explicit the marginalization of community views, concerned community members can begin to demand accountability from and dialogue with their leaders.

The results show, first, that there are a number of mechanisms for public input, and that these cross a spectrum of participatory forms. Insider mechanisms, while giving participants a great deal of influence, are often accessed by elites—legislators, professional economic developers, and business executives who make up the governing bodies at IRR. Promotion mechanisms allow for greater participation of a wider variety of economic development professionals outside of IRR. These community elites are involved in their professional capacities as local government officials and business owners and have limited opportunity to influence the process. Finally, commentary mechanisms, though plentiful and available for non-elites, offer little influence in economic development policy-making.

These findings were not unexpected from the literature. Students of public participation in policy making have long noted that bureaucrats and other elites distance decision-making processes from communities (Vogel & Swanson, 1993; Wolman & Spitzley, 1999). This distance protects elites from criticism, reduces the risks of bureaucrats, and often shortens the decision process to fit budgetary time tables (Renn *et al.*, 1995a; Rubin, 1999). Regardless of the reasoning, the distance also creates distrust between decision makers and communities which further reduces the interactions between them (Stiglitz, 2002). Underlying ideologies legitimate this distance by framing economic development decisions in ways that empower elites and marginalize community members.

The results also suggest that at IRR, two ideologies marginalize community members. The political representation belief set suggests that community members are represented by legislators in their dual role as IRR decision makers and political representatives. Legislative board members use this ideology to justify the distribution of IRR benefits to their own legislative districts while excluding others. This ideology also supports the legislators' primacy in the decision process: board members are hierarchically above the agency staff because, according to the ideology, they *should* control public spending. Similarly, the economic growth ideology masks its elitism under a guise of expertise. This expertise legitimates business and economic concerns above those of community members and argues that experts, not politicians, should make decisions.

6.1 IMPLICATIONS

This thesis offers several contributions to the literature. First, it supports Reese and Rosenfeld's (2001b) point that input mechanisms do not guarantee participation in decision processes. The findings indicate that different input mechanisms, whether insider, promotion, or commentary, do not differ in the amount of influence participants have. At IRR, PAC members, like other non-elite community members, have little influence. Rather, influence is determined by the belief system which in this case, privileges elites.

Second, this research illustrates how community influence is related to underlying ideologies that frame how economic development is practiced. At IRR, economic development is defined as business-focused; therefore the knowledge of non-elite, non-business community members is not valued as highly as the knowledge of elites and businesses. Thus, community member influence is not dependent upon input mechanisms, it is dependent the ideology of economic development that privileges elites. What is shown is that changing the structures, such as adding community advisory committees at IRR, may

be necessary, but is not sufficient for increasing community influence unless community knowledge is valued by the decision makers themselves.

The overall lesson to be learned from these two points is that focusing on decision-making rules, the LCC, is not sufficient to understand community influence over public programming. The study of local civic cultures focuses on the decision process and rules, but not on the ideology which legitimizes it. Researchers need to understand the underlying ideology in order to grasp why certain people are influential in public processes.

In contrast to economic development literature, the literature on public participation and participatory democracy focus on interactions between citizens and their governing bodies. This case study contributes to these literatures as well. Renn et al. (1995a) note that the point of public participation is an engaged dialogue between community members and policy makers. Thus, it is not necessary for program decision processes to be converted to communal voting structures. What is needed is a space for decision makers and community members to engage in respectful dialogue which recognizes the importance of expertise as well as lay knowledge in addressing community concerns (Renn *et al.*, 1995a). While Clarke and Guile (1999) find a lack of structures for consensual decision processes in public programs, this research illustrates that these structures, or input mechanisms, will only create open processes when the underlying belief systems support these means of communication.

This research also demonstrates that elite-driven processes can be undemocratic and inequitable. This is applicable to expert-driven decision making in a number of fields, such as public health, land use, environmental remediation, or political science. According to Gaventa (1999), community members' exclusion from public processes results in governance above the people, not of it or by it. The implication for building democracy is that

opportunities to democratize public service institutions are lost. This creates continuing equity issues—as community members are excluded, public policy continues to benefit elites.

This research builds connections between the economic development and participatory democracy literatures. Gaventa (1999) notes that to overcome the ideologies that marginalize communities, it is necessary to use what Cornwall (2003) would call transformative participatory mechanisms, such as consciousness raising, developing collective identities and transformative learning. Jones and Gaventa (2002, 25) argue that engaged citizenship requires a governance structure that allows space for “citizen awareness of, and control over, the decision-making processes which influence their lives.” They recognize that engaged democracy requires that governors be accountable to citizens directly, in all their actions, not just in those instances where they invite citizen participation (Jones & Gaventa, 2002). Only by building citizen competence can communities self-govern effectively.

This case shows both what is challenging about participatory governance and how it might be construed. In economic development, professional practice requires distancing decisions from the community and including public participation only when necessary to overcome resistance. While this distance is contrary to participatory democracy, some structures to achieve citizen engagement are already in place. Community advisory committees could be altered to create genuine community influence, giving members control over some decisions. Community members could shape the overall goals of the agency, engaging in dialogue about the real reason for its existence and what the communities hope to gain from IRR’s work while leaving specific project details to staff experts. Some informants even suggested that the IRR board be transformed into an elected or selected board of local community members. However, the research shows that these people would

only communicate with and work for the entire Range community if the fundamental understanding of economic development expanded to embrace the interests of the entire Range community.

What is apparent here is that the real shift would have to take place in the ideologies framing IRR's work with all community members. Emphasis on expertise could be combined with respect for lay knowledge and values. Community change could be envisioned more broadly than business recruitment. Community elites, board members and IRR staff members could be made more accountable to people directly, through direct elections, the creation of new governing boards, or even new and innovating organizational structures uniquely appropriate for the IRR context. While IRR serves as an example of governance far from participatory democracy, it is the thinking that must change, rather than governing structures themselves.

This research offers an occasion to investigate the local civic cultures and ideologies underlying public decisions in communities across the country. With a thorough understanding of the ideologies of participation and marginalization, engaged leaders and communities can build, collaboratively, governing systems which empower and enrich the communities in which they are constructed.

6.2 LIMITATIONS

There are, of course, some limitations to this research. First, the location of the research site was not conducive to the iterative nature of interviewing and analysis that is typical of qualitative research. It was difficult to follow-up on working hypothesis that emerged later in the process. The in-depth interviews, while providing rich data, took a great deal of time to examine and analyze. Also, the research took place in Minnesota in the summer of 2004, but the bulk of the analysis was completed in the summer of 2005 in

Michigan. Because of the time the analysis took and the distance to travel for interviews, follow-up interviews were difficult to arrange. Specifically, a former IRR staff member had much to offer on the extraordinary influence of board members. Had time permitted, it would have been helpful to interview other IRR staff members and follow-up with board members to see how much they might validate or contradict his perspective.

Second, while informants suggested that there was a great deal of public interest in the agency, no members of the general public attended the meetings held in August 2005. The only people that attended were those who had already been interviewed, and none of the current agency staff or board members participated. It would be useful to know why the meetings were unattended and if community members are more apathetic about IRR work than informants suggested. While outside the scope of this project, a clearer understanding of public perceptions of IRR and its work would also clarify how much the views of the public align with those of the agency. This would demonstrate whether the agency is supporting community goals and values through its current programs.

Third, the scale and scope of the use of extraordinary influence was not uncovered through this study. There were six examples of extraordinary influence, but most informants concurred that most projects go through the funding process without such assistance. However, it cannot be confirmed how often extraordinary influence is used due to a lack of data about projects that are never funded and thus never become public. For example, it is unknown how often a board or executive decision funds a project, like the Warner Brothers movie rebate, that has not been examined by the technical experts or staff. Similarly, it is unknown how many projects do not get to the public board meetings. It is especially difficult to know how many projects, like Pete Craven's, are dropped because a board member refuses support. Thus, while a detailed quantitative analysis of this question would

be very helpful, the study can only suggest that extraordinary influence has been and can be used to favor some projects at IRR.

6.3 NEXT STEPS

This case study opens a number of other avenues of inquiry. Most obviously, since Roberts found in 1996 that Iron Range community members “believed that the IRRRB [IRR] should not shift away from funding community development in favor of greater investments in tourism and business attraction” (56), it would be informative to run her study again today. Would one find that IRR still responded enough to local residents to conclude that the IRR is improving the lives of community members as she claimed?

Second, if Reese and Rosenfeld’s (2002) local civic culture concept were expanded to investigate how the interaction of community members and decision makers is structured, would one find that different structures and civic cultures include community members in different ways? Or would one find, as was found at IRR, that different local civic cultures are founded on similar ideologies that marginalize the public in favor of some group or groups of elites, be they technocrats, business leaders, politicians, or others?

Third, the question of structure is interesting and could be more deeply studied. Informants in this project were asked how they would ideally like to see the agency organized but it was not possible to delve into what that ideal agency would do. Focusing on this question is an excellent opportunity for a participatory research project in which community members and IRR staff collaborate to understand the goals and interests of Iron Rangers and how better to incorporate them in the work of IRR. This type of project could determine whether structural changes are necessary or if what is really needed is a change in how IRR conceptualizes its work.

Finally, Gaventa (2002), Boyte and Kari (1996), and many others are turning the focus on the potential for new conceptualizations of participation as tools in the democratization of social policy. This democratization is not just seen as an abstract good—putting power back in the hands of the people—but also as a practical one, a way to make policy that can overcome the challenges it is addressing by building the capacities of participants. The application of these new conceptualizations of public work (Boyte & Kari, 1996) and democratization (Gaventa, 2002) to IRR might lead to a re-conceptualized agency whose purpose is not just the economic development of a few communities in northern Minnesota, but the transformation of how Iron Rangers work collectively and individually to develop themselves and their communities. This is the most ambitious goal for governance and democracy in the coming years—the building of economically and socially viable communities in both rural and urban areas in the context of shrinking industry and global competition.

7. APPENDICES

7.1 DATA COLLECTION MATERIALS

7.1.1 Interview Consent Form

This project investigates how Iron Range Resources (IRR) determines what projects they fund and how they make decisions. The project is specifically interested in understanding what influences the decision process and in what ways people are involved. I've spoken with other professionals involved in IRR work and they suggested that you would be a good contact to learn about this process.

Subject's Time

I want you to have time to express your perspective, so this interview will likely last between 45 minutes and 1 hour. I respectfully request the opportunity to follow-up if clarification is needed.

Voluntary Participation

Your participation in this process is entirely voluntary. You may at any time choose to stop participating, refuse to answer any questions, etc.

Confidentiality and Anonymity

The information you share with me is entirely confidential. The researchers are the only ones who will have any access to the notes from this meeting and any other meetings. In all public and private documentation you will have a pseudonym, and no quotes will be directly attributed to you. Your privacy will be protected to the maximum extent allowable by law.

Risks and Benefits

The risks of participation in this project are minimal. In the unlikely circumstance that your comments were to be disclosed, it might affect your employment or involvement in IRR activities. I will protect against this by guarding the information you give me. Today's interview will be transcribed by me without your name or identifying information and will be digitally stored in protected computer files. One printed copy of the transcript will also be kept (in case of computer data loss) in a locked safe. To minimize the risk that someone can link any reported quotes or information to you personally, I will not use your name or any information that may identify you, like your job title, position in the community, or other information that others might recognize.

The benefits of your participation include the opportunity to learn about the processes of the IRR, to read the research results, and to comment on the conclusions. Your comments will be included in the final paper and I will take care to guard your confidentiality in that paper and in all other public and private presentations of the project.

_____ Consent to be recorded

With your permission, this interview will be digitally recorded. This allows me to check my accuracy in recording what you've told me. You have the right to ask me to stop recording

at any time. If you choose to discontinue the interview, what you have shared will still be transcribed and analyzed. If you chose not to be recorded, my notes from the interview will be treated in the same manner as the recording.

Contact Person

If you have any questions about this study, please contact the researcher (Lexine Hansen, 517-214-0560, 218-927-3849 or hansenle@msu.edu). If you have questions or concerns regarding your rights as a study participant, or are dissatisfied at any time with any aspect of this study, you may contact—anonymously, if you wish—Peter Vasilenko, Ph.D., Chair of the University Committee on Research Involving Human Subjects (UCRIHS) by phone: (517) 355-2180, fax: (517) 432-4503, e-mail: ucrihs@msu.edu, or regular mail: 202 Olds Hall, East Lansing, MI 48824. Hours: 8-12 and 1-5 M-F.

By signing below, you voluntarily agree to participate in this study. Thank you for your participation!

X _____ DATE: _____

7.1.2 Public Meeting Participation Consent

To be read at public data presentation meetings

Thank you for coming to today's meeting regarding this research project. I am investigating how Iron Range Resources (IRR) makes decisions. The project is specifically interested in understanding what influences the decision process and in what ways ordinary citizens are involved. Today, I will be presenting the results of my research last summer and fall with individuals involved with the agency. I hope to add your responses to this presentation to the final written product, which will be published as my Master's Thesis at Michigan State University.

Subject's Time

I am here to get your feedback, so I'll try to keep my presentation to about 30 minutes and will invite comment for at least 30 minutes after that.

Confidentiality

This is a public meeting and anything you say here can be noted by other participants and possibly members of the press if they are present. However, at the conclusion of the meeting, the information that I gather tonight will be kept entirely confidential. My professor and myself are the only ones who will have any access to my notes from this meeting and any other contact I might have with you. In all public and private documentation you will have a pseudonym, and no quotes will be directly attributed to you. Your privacy will be protected to the maximum extent allowable by law.

Risks and Benefits

The risks of your participation in this project are minimal. In the circumstance that your comments were to be disclosed, it might affect your employment or involvement in IRR activities. I will protect against this by guarding the information you give me. In taking today's notes, I will not use your name or any information that may identify you. If you are concerned with speaking up today because you don't want your comments disclosed, I welcome you to contact me personally at your convenience and will distribute my contact information in a moment.

The benefits of your participation include the opportunity to learn about the processes of Iron Range Resources, to hear the research results, and to comment on my conclusions. Your comments will be included in the final paper and I will take care to guard your confidentiality in that paper and in all other public and private presentations of the project.

Contact Cards

I am distributing contact cards with my information and the information of Michigan State University's review board. If you have any questions about this study, please contact me personally (show my contact side of the card). You can also contact me if you prefer to offer your feedback privately rather than at this meeting. If you have questions or concerns regarding your rights as a study participant, or are dissatisfied at any time with any aspect of this study, you may contact—anononymously, if you wish—Peter Vasilenko (show back of the card).

Voluntary Participation

By remaining in this meeting and contributing, you are agreeing to participate in this research project and have your comments included in the research. You can choose to leave at any time to discontinue your participation.

Contact Card:

Side A	Side B
Contact Lexine Hansen Researcher By phone at 517-214-0560 (cell) or 517-853-8396 (home) By e-mail at hansenle@msu.edu By mail at 151 Natural Resources Building, Michigan State University East Lansing, MI 48824	Contact Peter Vasilenko, Ph.D., Chair of the University Committee on Research Involving Human Subjects (UCRIHS) By phone at 517-355-2080 or fax 517-432-4503 By e-mail at ucrihs@msu.edu By mail at 202 Olds Hall, Michigan State University East Lansing, MI 48824

7.1.3 Interview Schedules

7.1.3.1 Key Informants Interview Schedule

This is a *topical* interview in Stage One. I want to know who makes program and project decision, and get an overview of the decision process.

INFORMANTS: Key IRR staff and outsiders familiar with decision processes.

- 1) How are *program areas* at the IRR decided?
 - a) What are the steps in the process?
 - i) Who usually instigates program changes?
 - ii) Who makes the final decision of program direction?
 - b) What is the emphasis of IRR programs? What are the goals for the work?
 - c) Who are the decision makers in the process?
 - i) Which decision makers are critical in making changes? Why?
 - ii) Is anyone outside of the agency important in this way? How?
- 2) What about *individual projects* within program areas? Can you walk me through the typical process that projects take at IRR?
 - a) What are the steps in the process?
 - i) Who usually instigates projects?
 - ii) How long does it take to reach a decision?
 - iii) How do the projects typically tie to the goal of IRR work?
 - iv) What is one sure-fire way to get a project supported?
 - b) Who are the decision makers in the process?
 - i) Which decision makers are critical in getting a proposal funded? Why?
 - ii) Is anyone outside of the agency important in getting support? How?
- 3) How aware is the average Iron Range person of your programs?
 - a) How do they find out about the direction of the agency?
 - b) If they have ideas or comments, to whom do they speak?
- 4) What about specific projects? How do people find out about IRR project resources?
 - a) If a citizen has an idea, where or how can s/he get support?
 - b) How are project locations decided?
- 5) Which *program areas* most positively impact local community members? How?
- 6) If you had to choose one project as the most successful, which would it be? What is successful about it?

7.1.3.2 IRR Staff Interview Schedule

This is a *cultural* interview in Stage Two. I want to know how the IRR agenda is set (and why) and how projects are chosen within that agenda. This interview is specific to **agency decision makers**; for board members, the questions will ask about the programs that structure the projects rather than about projects.

INFORMANTS: IRR staff.

- 1) Please tell me about the mission and goals of Iron Range Resources.
 - a) How do you define the overarching goals of IRR?
 - b) What is “economic development”?
 - c) What is the big picture of the agency?
- 2) Can you describe for me the IRR program area in which you work?
 - a) Is there an overarching goal or mission for your program area?
 - b) How does your program differ from other IRR areas? How is it similar?
- 3) Can you describe for me the types of projects in your program?
 - a) What outcomes are you looking for in your projects? How are they different from other projects?
 - b) How do you prioritize projects? How are they ranked?
 - c) What are the most important characteristics of projects when you consider them?
 - d) What makes a project successful?
 - e) Who do you talk to about the projects you’re considering?
- 4) How do you decide which projects are funded?
 - a) [If there is a proposal involved] What is the process once you have the proposal?
 - b) Do certain people (on the board or in the agency) have “expertise” in certain areas?
 - c) Are you under pressure from groups or people, either inside or outside IRR, when you are determining what sort of projects to support?
- 5) How should community members be involved in this process?
 - a) How are project locations decided?
 - b) Who is impacted by these projects?
 - c) Do you think community members are interested or apathetic? Why?
 - d) What is an ideal amount of community participation? Should the community be more/less involved in these decisions? Why or How?
 - e) How does community involvement affect the success of projects? Why?

7.1.3.3 IRR Board Members Interview Schedule

This is a *cultural* interview in Stage Two. I want to know how the IRR agenda is set (and why) and how projects are chosen within that agenda. This interview is specific to **board members**; for agency decision makers, the questions will ask about “projects” within programs rather than about programs.

INFORMANTS: **IRR board members.**

- 1) Please tell me about the mission and goals of Iron Range Resources.
 - a) How do you define the overarching goals of IRR?
 - b) What is “economic development”?
 - c) What is the big picture of the agency?
- 2) Can you describe for me the program areas IRR supports?
 - a) What outcomes are you looking for in these areas? How are they different?
 - b) How do you prioritize programs? How are they ranked?
 - c) What are the most important characteristics of programs?
 - d) Is there an overarching goal or mission for all programs?
 - e) What makes a program successful?
 - f) Who do you talk to about the programs you’re considering?
- 3) How do you decide which programs the agency should support?
 - a) Who directs the agency and focuses it on specific goals?
 - b) How are those goals determined? By whom?
- 4) When deciding specific projects, how do you determine which are funded?
 - a) [If there is a proposal involved] What is the process once you have the proposal?
 - b) Do certain people (on the board or in the agency) have “expertise” in certain areas?
 - c) Are you under pressure from groups or people, either inside or outside IRR, when you are determining what sort of programs to support?
- 5) How should community members be involved in this process?
 - a) How are project locations decided?
 - b) Who is impacted by IRR programs?
 - c) Do you think community members are interested or apathetic? Why?
 - d) What is an ideal amount of community participation? Should the community be more/less involved in IRR actions and decisions? Why or How?
 - e) How does community involvement affect the success of IRR and its projects? Why?

7.1.3.4 PAC Members Interview Schedule

This is a *cultural* interview in Stage Three. I want to know how the IRR interacts with the volunteer citizens on the Partner's Advisor Committee.

INFORMANTS: **PAC members.**

- 1) Background:
 - a) What do you do?
 - b) How long have you been on the PAC? Did you work with IRR before you joined the PAC?
- 2) Can you describe for me what you think Iron Range Resources does?
 - a) What is the mission and goals of the agency?
 - b) Can you describe for me the program areas IRR supports? How does it accomplish those goals?
 - c) What kinds of projects are done by the agency?
 - d) What are the most important characteristics of programs and projects?
 - e) What makes a program or project successful?
- 3) Can you describe for me the role of the Partner's Advisory Committee?
 - a) Do you help the commissioner decide which direction the agency should go?
 - b) Is there a leader of the PAC? Who seem to be most involved and "in charge" at the meetings?
- 4) What is it like to participate in the PAC?
 - a) How did you get on the PAC?
 - b) What do you add to the PAC? Why did they select you?
 - c) What sort of time commitment does it require?
 - d) Do people in the community ever ask you what is going on at IRR? Do they try to convince you to support certain projects or ideas?
 - e) Who do you talk to about your work on the PAC?
 - f) Does your participation help you in your other work?
- 5) How should community members be involved in the work of Iron Range Resources?
 - a) Do you think community members are interested or apathetic? Why?
 - b) Does community involvement affect the success of projects? In what ways?
 - c) What is an ideal type of community participation? Should the community be more/less involved in these decisions? Why or How?
 - d) If you could redesign the agency to be more helpful to the mining communities, what would you do?

7.1.3.5 Business Owners

This is a *cultural* interview in Stage Three. I want to know how business owners are involved in IRR decision processes.

INFORMANTS: Business owners who have been granted or denied IRR funding.

- 1) Business Relocation or Project:
 - a) What do you do?
 - b) What led to your interest in this region?
- 2) Can you describe for me the process you went through to get IRR assistance from recognizing that your business needed to grow to your final project?
 - a) Who did you first talk to at the agency? How did you hear about IRR?
 - b) Was the agency responsive to your needs as a businessperson? Did the agency and its staff respond to your requests? In what ways?
 - c) Was the process efficient? Where were bottlenecks or challenges?
 - d) What was frustrating about the process?
 - e) What did you think worked well?
 - f) If you received funding, why do you think you got assistance? If you did not, why do you think IRR was unable to fund you?
- 3) Community Involvement:
 - a) Was there community interest or involvement in your project? What did it look like? Who was involved? When were people involved?
 - b) How did you feel about this? Would you have liked more or less community involvement? Did what you experienced influence your decision to relocate here?
- 4) If you could redesign IRR to be more responsive to business needs, what would it look like at the end of the day?
- 5) Do you think IRR is doing what it should to help this region develop economically?

7.1.3.6 Economic Development Officials

This is a *cultural* interview in Stage Three. I want to know how economic development organizations and officials are involved in IRR decision processes.

INFORMANTS: Community economic developers.

- 1) Economic development background:
 - a) What do you do?
 - b) Can you describe for me the programs and projects that you do to promote Aurora? What is your most recent success?
 - c) Do you collaborate with IRR? In what ways, what types of projects? Do you overlap?
 - d) Are community members interested or involved in your work? In what ways? Who/which members?
- 2) Can you describe for me what you think Iron Range Resources does?
 - a) What is the mission and goals of the agency?
 - b) Can you describe for me the program areas IRR supports? How does it accomplish those goals?
 - c) What kinds of projects are done by the agency?
 - d) What are the most important characteristics of programs and projects?
 - e) What makes a program or project successful?
- 3) How should community members be involved in the work of Iron Range Resources?
 - a) Do you think community members are interested or apathetic? Why?
 - b) Does community involvement affect the success of projects? In what ways?
 - c) What is an ideal type of community participation? Should the community be more/less involved in these decisions? Why or How?
 - d) If you could redesign the agency to be more helpful to your community, what would you do?

7.1.3.7 Community Leaders

This is a *cultural* interview in Stage Three. I want to know how organizations and people working with mining-dependent communities are involved in IRR decision processes.

INFORMANTS: Leaders and members of community organizations.

- 1) Background:
 - a) How does your organization work in mining-dependent communities?
 - i) What do you do, what does your organization do?
 - b) Are you a displaced miner? If so:
 - i) How long did you mine? How long have you been displaced? What do you do now?
 - ii) Did you get assistance during your transition from mining to what you do now? What type of assistance? Who helped you?
- 2) Are you familiar with Iron Range Resources?
 - a) Are there IRR projects in your area?
 - b) What do you know about IRR and its projects?
 - c) Have you been involved in projects with them? If so:
 - i) How involved was your community in this project? Should there be different involvement? What would that look like?
 - ii) How does community involvement affect the success of projects?
- 3) How have hard-hit communities benefited (or not) from IRR projects?
 - a) Is there direct assistance to mining households?
 - b) In your opinion, who does the IRR help?
- 4) Does IRR listen to communities and community activists?
 - a) Who does IRR work with usually?
 - b) Who does IRR listen to?
- 5) How should community members be involved in this process?
 - a) Do you think community members are interested in or apathetic about IRR projects? What makes them interested or apathetic?
 - b) Should activists be involved in IRR decisions? In what ways? What about community members?
 - c) If you could redesign the agency to be more helpful to the mining communities, what would you do?

7.2 DATA ANALYSIS MATERIALS

7.2.1 Coding Table

Table 7.1: Code List and Definitions

Category	Code word	Short definition or description
Roles of Actors and Informants	Board	Quotes that describe the board's structure or role.
	Businesses	Mentions of the role of biz people and how they interact with agency. (may be further divided into businesses which received IRR assistance and those which haven't)
	Citizens	Code marks references to the role of citizens and everyday people in the decision process.
	Commissioner	Quotes that specify the characteristics, role, or abilities of the commissioner specifically.
	IRR Staff	Discusses the role of the staff in the programs, processes, and projects of the agency.
	Outsiders	Refers to the role and participation of those outside the main stakeholders (those non-community, non-biz targets, non-affected by the work of IRR).
	PAC	Code notes the role of PAC members in the process and structure.
	Partners	Denotes the role of agencies and groups with whom the IRR works. Partners refer to a relationship of equality between the agency/org and IRR.
	TAC	Refers to the role and make-up of the Technical Assistance Committee
Typology of Development	Community Development	This code notes when subjects talk about community development as different from economic development.
	Economic Development	This code describes or details what is economic development. It can be definitions of ED from particular perspectives or a description of economic development projects or ideas.
Decisions	Decision Process	This code focuses on what happens, in what order, etc. It is about the decision process, not the hierarchy or structure surrounding the process.
		Private Nature This code is the opposite of public and is used when subjects mention the need for privacy in the decision process. (This has nothing to do with the private sector.)
		Public Nature This code is used when subjects discuss the public nature of the agency, its activities, decisions etc. It is the opposite of the Private code. Basically it denotes where citizens and non-staff cannot have any official input.
	Decision	This code differentiates the structure and organization of

	Structure	the agency's decision-making components. It delineates the hierarchical position of the players.. It compliments the decision process code.	
IRR	IRR Goals	This code mentions what the agency is trying to accomplish, what its main mission and goals and aims are. This concept ties to how IRR defined economic development and how it puts that definition into practice.	
		Statute	This code mentions the statute--just to underline legitimacy or limitations or those sorts of things.
	IRR History	This code signifies mentions of the history of the agency, and its development over time.	
	Programs	This code signifies descriptions of the programs of the agency.	
	Project Process	Refers to the process of a project from start to finish.	
Other Concepts key to understanding the IRR context	Account-ability	This code refers to how the agency is accountable to citizens and other players. Though not directly applicable to my questions, I think this is important because it may show mechanisms for citizen input and the ideological ideas behind why citizens can/cannot participate in decisions.	
	Conflict	This code refers to instances of conflict in the decision process and other workings of IRR between the various stakeholders: Board and Commissioner, Businesses and Agency, Citizens and Politicians, etc.	
	Expertise	This code refers to mentions of expert knowledge and expertise or professionals or professionalism. Basically this is where specific, expert knowledge is discussed or acknowledged.	
	Failure	This code refers to subjects mentioning projects or programs where the agency has failed or where a project has not been successful, has been a waste, etc.	
	Ideal Agency	This code refers to when people say they think the agency SHOULD be doing X or that ideally, if they were in charge, it would look like Y.	
	Input	This code is used when subjects discuss who has access to the decision process, who is listened to, basically who has input in the process as well as how (the mechanisms through which) input takes place. (It is possibly linked to decision process or structure).	
	Networking	This code is used when subjects talk about the connections of non-staff or board members to the agency, its decisions, projects, or to other people involved in the agency, etc. This will hopefully lead us to understand how actors are connected and what that means for how they influence the process.	

	Politics	This code marks when subjects mention the political agendas or actions in the process. Especially in discussing how the process flows and the roles of stakeholders, politics and political influence seem important, so the concepts of politics and political interplay are key.	
		Various Admin-istrations	This code is used when subjects refer to the change in administration with political changes at the capital. It also demonstrates that IRR Staff might feel insecure (a major issue in the ED decision-making literature).
	Qualifications	This code is used when the subject discusses the qualifications necessary for citizens to be members of the PAC or of other IRR committees. This is where we find out WHY people are selected by IRR staff to collaborate with the agency.	
	Sexy Quotes	These quotes are ones that just sound great, they are snappy, clear, and interesting and would look great in print.	
	Success	This code indicates when subjects talk about what they think characterizes the success of projects or programs.	

7.2.2 Displays

Table 7.2: Summary Matrix of Input Mechanisms by Informant

	PAC member (18)	IRR Staff (8)	Board (7)	Other (15)
FORMAL MECHANISMS				
Participation in Public Board Meeting	3/18	1/8	2/7	3/15
Participation in other public forums	3/18	2/8	0/7	0/15
Political Process (voting for political representation)	0/18	1/8	1/7	0/15
Contacting Legislative Board Members	2/18	2/8	5/7	2/15
Contacting Citizen Board Members	0/18	0/8	1/7	0/15
Contacting Agency	1/18	2/8	0/7	/15
Contacting the Governor	0/18	1/8	0/7	/15
Participating on the PAC	3/18	2/8	0/7	/15
Participating on other advisory boards	6/18 & obsv.	5/8	0/7	3/15
Citizens included in agency work as experts.	3/18	1/8	0/7	3/15
Citizens involved as project sponsor (partner level)	1/18	0/8	2/7	1/15
INFORMAL MECHANISMS				
Informal relationship with Board Member	0/18	0/8	0/7	0/15
Informal relationship with IRR Staff	0/18	1/8	0/7	0/15

Input through a partner	2/18	2/8	5/7	7/15
Input through PAC members	17/18 & obsv.	1/8	0/7	0/15

Table 7.3: Influence Consensus Table

	Informant Roles				
	PAC members (18)	IRR Board (7)	IRR Staff (8)	Citizens and Others (8)	Business leaders (7)
Support Board Influence	3	1		2	3
Support Commissioner Influence	1			1	
Support PAC Influence (see Q3 instead)					
Support TAC Influence					
Support Partner Influence	1			2	2
Support Business Influence				1	1
Support Staff Influence					1
Support Citizen Influence		1 (comm.-unity)	1 (comm.-unity)	1	-1TF
Support Other Influence	1 (politicians)			1 (governor)	1 (governor)

Table 7.4: PAC Role Consensus Table

Informants	PAC gets information from IRR	PAC brings IRR to public	PAC brings local concerns/ ideas to IRR	PAC adds expertise to IRR	PAC inf. considers self representative	PAC inf. pushes pet projects	PAC is listened to	PAC makes a difference
PAC Members								
AN	Yes (Y)	Y	Y		No (N)	Others	Y	No/NV (not visible) but Y-role only
BO	Y		Y		NY (not yet-will try)			
ER		Y		Y	Y		Y	
GT	Y		Y	Y	N		Y	Legits IRR—N
HU	Y			Y	Y		N	N
IV	Y	Y	Y		N		Y	Y subtle
JW	Y	Y	Y		Y		Y	N
KX	Y	Y	Y	Y	N			Y-role only
LY	Y		Y	Y	Y		Y	NY
MZ	Y		Y		N		Y	NV
NA	Y	Y	Y	Y	Y	Y	N	N
OB	Y	Y	Y		N	Y at first—now con-flict of interest	Y	N
PC	Y	Y	Y	Y	N		Y	N (no vote)
RD	Y	Y	Y	Y	N		Y	
SE	Y		Y		N		Y	Y-Com & Bd.
UL	Y	Y	Y		N		Y	N
XO	Y	Y	Y	Y	N		Y	N
YP	Y	Y	Y	Y	Y	Others	Y	Y

Informants	PAC gets information from IRR	PAC brings IRR to public	PAC brings local concerns/ ideas to IRR	PAC adds expertise to IRR	PAC inf. considers self representative	PAC inf. pushes pet projects	PAC is listened to	PAC makes a difference
IRR Staff								
DU	Y	Y	Y	Y			Y	N
EV			Y					
FW	Y	Y	Y	Y			Y	
MD	Y	Y						
PAC Observations								
PO 1	Y						N	NV
PO 2	Y		Y				Y	NV
IRR Board								
HY	HY sees the PAC and others as political rewards and their intent is to disempower the board, the “legitimate” decision-makers.							Y-to harm IRR



NEWS RELEASE

For immediate release: February 18, 2004

For more information, please contact:

Jack LaVoy, Director of Marketing,
Communications, & External Affairs,
218-744-7400

Positions available on

Iron Range Resources Partners Advisory Committee

Iron Range Resources is looking for interested citizens with a diversity of backgrounds and experience to serve on its Partners Advisory Committee. Eight individuals are needed to fill current vacancies. The available positions are open to all residents of the Taconite Assistance Area (TAA) and will be selected by Commissioner Sandy Layman. Each appointment is for a three-year term, which is renewable for an additional term.

The committee meets bi-monthly on the second Thursday of the month from 10:00 a.m. to 12:00 noon. Meetings are generally held at the Iron Range Resources offices in Eveleth. Members are reimbursed for mileage.

Comprised of 20 citizens of the TAA, the committee acts as a sounding board to the Commissioner and provides feedback and input from a citizen stakeholder perspective.

“The Partners Advisory Committee plays an important role in our effort to enhance communication between the office of the Commissioner of Iron Range Resources and the residents of the Taconite Assistance Area,” said Layman.

Those interested in seeking appointment to the committee should send a resume and cover letter explaining why they would like to serve and what they believe they can contribute to the committee to Commissioner Sandy Layman, Iron Range Resources, P.O. Box 441, Eveleth, MN 55734. Applications are due by Friday, March 19, 2004.

-END-

8. REFERENCES

- (2005). Iron Range resources and rehabilitation. *State of Minnesota Statute*. 298.
- Alanen, A. R. (1989). "Years of Change on the Iron Range." *Minnesota in a Century of Change*. C. E. Clark Jr. St. Paul, MN, Minnesota Historical Society Press.
- Bachrach, P., A. Botwinick and J. Gaventa (1993). "Power and empowerment - a radical theory of participatory democracy." *American political science review* 87(2): 473.
- Beaulier, S. A. (2004). "Is Discourse Relevant for Economic Development?" *The Independent Review* 8(3): 343-361.
- Beauregard, R. (1993). "Industrial Diversification as Economic Policy." *Community Economic Development: Policy Development in the US and UK*. D. Fasenfest. New York, St. Martin's PRes.
- Blair, J. P. and C. R. Endres (1999). "Hidden Economic Development Assets." *Approaches to Economic Development: Readings from Economic Development Quarterly*. J. P. Blair and L. A. Reese. Thousand Oaks, CA, Sage: 157-163.
- Blair, J. P. and L. A. Reese (1999). "Introduction." *Approaches to Economic Development: Readings from Economic Development Quarterly*. J. P. Blair and L. A. Reese. Thousand Oaks, CA, Sage: ix-xiv.
- Boothroyd, P. and H. C. Davis (1993). "Community Economic Development: Three Approaches." *Journal of Planning Education and Research* 12: 230-240.
- Bowman, A. O. M. (2001). "Two Steps Forward, One Step Back: Uncertainty in Local Economic Development." *Economic Development Quarterly* 15(4): 317-319.
- Boyte, H. C. and N. N. Kari (1996). *Building America: The Democratic Promise of Public Work*. Philadelphia, PA, Temple University Press.
- Brett, E. A. (2003). "Participation and Accountability in Development Management." *The Journal of Development Studies* 40(2): 1-29.

- Buescher, M., P. Sullivan, C. Halbrendt and M. T. Lucas (2001). "The Community-Business Matching Project: New Tools for Rural Development." *Journal of Sustainable Agriculture* 17(4): 57-74.
- Clarke, S. E. (2001). "Well, Maybe...: Taking Context Seriously in Analyzing Local Economic Development." *Economic Development Quarterly* 15(4): 320-322.
- Clarke, S. E. and G. L. Guile (1999). "The Next Wave: Postfederal Local Economic Development Strategies." *Approaches to Economic Development: Readings from Economic Development Quarterly*. J. P. Blair and L. A. Reese. Thousand Oaks, CA, Sage: 165-177.
- Colisimo, B. (2006). Phone call. L. Hansen. Lansing, Budget Office, Michigan Economic Development Corporation.
- Commissioner's Task Force on Ironworld (2004). Ironworld Discovery Center: Recommendations for a Sustainable Future. Eveleth, MN, Iron Range Resources: 43.
- Cornwall, A. (2003). "Whose Voices? Whose Choices? Reflections on Gender and Participatory Development." *World Development* 31(8): 1325-1342.
- Cummings, S. L. (2001). "Community Economic Development as Progressive Politics: Toward a Grassroots Movement for Economic Justice." *Stanford Law Review* 54: 399-493.
- Dewar, M. (1986). "Development Analysis Confronts Politics: Industrial Policy on Minnesota's Iron Range." *Journal of American Planning Association*: 290-198.
- Eisenschitz, A. (1993). "Business Involvement in the Community: Counting the Spoons or Economic Renewal?" *Community Economic Development: Policy Development in the US and UK*. D. Fasenfest. New York, St. Martin's Press: 141-156.
- Eisinger, P. (1999). "State Economic Development in the 1990s: Politics and Policy Learning." *Approaches to Economic Development: Readings from Economic Development Quarterly*. J. P. Blair and L. A. Reese. Thousand Oaks, CA, Sage: 178-190.
- Foucault, M. (1980). *Power/Knowledge: Selected Interviews and Other Writings 1972-1977*. New York, Pantheon.

- Gaventa, J. (1980). *Power and Powerlessness: Quiescence and Rebellion in an Appalachian Valley*. Urbana, IL, University of Illinois Press.
- (1999). "Citizen Knowledge, Citizen Competence, and Democracy Building." *Citizen Competence and Democratic Institutions*. S. L. Elkin and K. E. Soltan. University Park, PA, Pennsylvania State University Press: 49-65.
- (2002). "Introduction: Exploring Citizenship, Participation and Accountability." *IDS Bulletin* **33**(2): 1-11.
- Gaventa, J., N. Kabeer, O.-S. Abah, J.-Z. Okwori, S. Mahmud, M. Leach, I. Scoones, L. Thompson, A. Cornwall, R. Tandon, V.-S.-P. Coelho, I.-A.-L. d. Andrade, M. Cifuentes-Montoya, R. Subrahmanian, L. Pare, C. Robles, C. Cortez, P. Newell and A. Hughes (2002). "Making rights real: exploring citizenship, participation and accountability." *IDS bulletin* **33**(2): 1-108.
- Gaventa, J., J. Morrissey and W. Edwards (1995). "Empowering People: Goals and Realities." *Forum for applied research and public policy* **10**(4): 116.
- Goin, P. and E. Raymond (1999). "Recycled Landscapes: Mining's Legacies in the Mesabi Iron Range." *Technologies of Landscape: From Reaping to Recycling*. D. Nye. Amherst, MA, University of Massachusetts Press.
- Iron Range Resources (2004a). Biennial Report: Fiscal Years 2003-2004. Eveleth, MN, Iron Range Resources: 28.
- (2004b). Commissioner's Partners Advisory Committee. Eveleth, MN, Iron Range Resources: 1.
- (2005). Agency History, Iron Range Resources. **2005**.
<http://ironrangeresources.org/agency/?page=119>.
- (2006). Regional Background, Iron Range Resources. **2006**.
<http://ironrangeresources.org/regional/?page=111>.
- Jones, E. and J. Gaventa (2002). "Concepts of Citizenship: a review." *IDS Development Bibliography* **19**: 66.

- Kabeer, N. (1997). "Empowerment from Below: Learning from the Grassroots." *Reversed Realities*. N. Kabeer. London, Verso: 223-263.
- Kaufman, M. and H. D. Alfonso, Eds. (1997). *Community Power and Grassroots Democracy: The transformation of social life*. London, Zed Books.
- Kelleher, B. and A. Radil (1999). *The History of the IRRRB. After the Mines*. Minneapolis, Minnesota Public Radio.
- King, B. S. and R. Hustedde (2001). "Strengthening Civic Engagement in Community Decision-Making." *The Rural South: Preparing for the Challenges of the 21st Century*(19).
- Koster, R. and J. E. Randall (2005). "Indicators of Community Economic Development Through Mural-based Tourism." *Canadian Geographer* **49**(1): 42-60.
- MacAulay, S. (2004). "Contradictions Between Aims and Practice in Community Economic Development: The Case of New Dawn Enterprises." *Canadian Journal of Development Studies* **15**(3): 445-463.
- MacFarlane, R. (1993). "Community Based Economic Development: The British Experience." *Community Economic Development: Policy Development in the US and UK*. D. Fasenfest. New York, St. Martin's Press.
- Making Change Happen (2001). *Making Change Happen: Advocacy and Citizen Participation*. Making Change Happen: Advocacy and Citizen Participation, Washington, D.C., Institute for Development Studies.
- Maxwell, J. A. (1996). *Qualitative Research Design*. Thousand Oaks, CA, Sage.
- Mier, R., J. Fitzgerald and L. Randolph (1993). "African-American Elected Officials and the Future of Progressive Political Movements." *Community Economic Development*. D. Fasenfest. New York, St. Martin's Press: 90-108.
- Miles, M. B. and A. M. Huberman (1994). *Qualitative Data Analysis: An Expanded Sourcebook*. Thousand Oaks, CA, Sage.
- Miller, D. (1991). *The Iron Range Resources and Rehabilitation Board: The First Fifty Years*. Chisholm, Iron Range Research Center.

- Minnesota Department of Employment and Economic Development (2006). Minnesota Salary Survey, Minnesota Department of Employment and Economic Development, 2006. <http://www.deed.state.mn.us/lmi/tools/oes.htm>.
- Minnesota Department of Revenue (2003). Mining Tax Guide. Eveleth, MN, MN Dept. of Revenue: 62.
- Northland Connection (2006). Workforce: Demographics Statistics, Northland Connection, 2006. <http://www.northlandconnection.com/workforce/demographics.php>.
- Patton, M. Q. (2002). *Qualitative Research and Evaluation Methods*. Thousand Oaks, CA, Sage.
- Reese, L. A. (1997). "Explaining Local Economic Development Policies." *Local Economic Development Policy*. New York, Garland: 79-98.
- Reese, L. A. and D. Fasenfest (1999). "What Works Best? Values and the Evaluation of Local Economic Development Policy." *Approaches to Economic Development: Readings from Economic Development Quarterly*. J. P. Blair and L. A. Reese. Thousand Oaks, CA, Sage.
- Reese, L. A. and R. A. Rosenfeld (2001a). "What Is the Question to Which the Answer Is: Local Civic Culture?" *Economic Development Quarterly* 15(4): 323-326.
- (2001b). "Yes, But...Questioning the Conventional Wisdom About Economic Development." *Economic Development Quarterly* 15(4): 299-312.
- (2002). *The Civic Culture of Local Economic Development*. Thousand Oaks, CA, Sage.
- Renn, O., T. Webler and P. Wiedemann (1995a). *Fairness and Competence in Citizen Participation: Evaluating Models for Environmental Discourse*. Boston, Kluwer Academic Publishers.
- Roberts, T. A. (1996). Impacts of Economic Development on Quality of Life in Natural Resource Dependent Regions: The Case of Minnesota's Iron Range. *Department of Resource Development*. East Lansing, MI, Michigan State University: 75.
- Rubin, H. J. (1999). "Shoot Anything That Flies; Claim Anything That Falls: Conversations with Economic Development Practitioners." *Approaches to Economic Development: Readings from Economic Development Quarterly*. J. P. Blair and L. A. Reese. Thousand Oaks, CA, Sage: 263-277.

- Rubin, H. J. and I. S. Rubin (1995). *Qualitative Interviewing: The Art of Hearing Data*. Thousand Oaks, CA, Sage.
- Satterfield, T. and J. Levin (2002). Risk Communication, Fugitive Values and the Problem of Tradeoffs: Diagnosing the Breakdown of Deliberative Processes, Department of Energy's Low Dose Radiation Research Program.
- Sharp, J. S., K. Agnitsch, V. Ryan and J. Flora (2002). "Social Infrastructure and Community Economic Development Strategies: The Case of Self-development and Industrial Recruitment in Rural Iowa." *Journal of Rural Studies* 18: 405-417.
- Small Business Administration (2005). Frequently Asked Questions, SBA Office of Advocacy. 2006.
- Stavros, J. (2006). MN DEED Budget Conversation. L. Hansen. St. Paul, MN, Chief Financial Officer, Minnesota Department of Employment and Economic Development (MN DEED).
- Stiglitz, J. E. (2002). "Participation and Development: Perspectives from the Comprehensive Development Paradigm." *Review of Development Economics* 6(2): 163-182.
- Sullivan, D. M. (2003). "Citizen Participation in Nonprofit Economic Development Organizations." *Journal of the Community Development Society* 34(2): 58-72.
- (2004). "Citizen Participation in Nonprofit Economic Development Organizations." *Journal of the Community Development Society* 34(2): 58-72.
- Vogel, R. and B. Swanson (1993). "Dialogical Community and Economic Development." *Community Economic Development: Policy Development in the US and UK*. D. Fasenfest. New York, St. Martin's Press.
- Wartenberg, T. E. (1991). *The Forms of Power: From domination to transformation*. Philadelphia, Temple University Press.
- Wiewel, W., B. Brown and M. Morris (1999). "The Linkage Between Regional and Neighborhood Development." *Approaches to Economic Development: Readings from Economic Development Quarterly*. J. P. Blair and L. A. Reese. Thousand Oaks, CA, Sage: 113-129.

Wolman, H. and D. Spitzley (1999). "The Politics of Local Economic Development."
Approaches to Economic Development: Readings from Economic Development Quarterly. J. P.
Blair and L. A. Reese. Thousand Oaks, CA, Sage: 225-262.

MICHIGAN STATE UNIVERSITY LIBRARIES



3 1293 02845 9182