CHAPTER 11.

DEVELOPMENT AS IF PEOPLE MATTERED

Whether the issue is the quality of local schools, the availability of decent-paying jobs, parks and recreational activities, crime or affordable housing, people often feel powerless and frustrated about what happens in their neighborhoods, cities and rural communities. But things are changing. Residents of both urban and rural areas are taking action to make their communities more livable.

This chapter describes how people are taking charge of planning and development projects in their local areas. The chapter presents two different models for local involvement: the community development corporation and cooperative development planning. The former approach involves the creation of a special organization to represent the interests of local residents in development projects. The latter model provides a means for citizens to be actively engaged in planning development projects that meet community interests. This model relies on existing local governments and non-profit and for-profit organizations to implement development plans. Both approaches illustrate the creativity and effectiveness of local citizens charting the future of their own communities.

COMMUNITY DEVELOPMENT CORPORATIONS

Community development corporations (CDCs) are grass-roots organizations, providing a participatory approach to improving community life. They may be formed at a neighborhood, city, county or multicounty level to carry out economic development, housing and social service projects. CDCs should not be confused with industrial development corporations or other development organizations formed to carry out economic or housing activities by local governments, local business organizations or both. The purpose of this chapter is not to criticize these latter organizations, which quite often play a positive economic and community development role, but rather to highlight the

particular features and benefits of "bottom-up" as opposed to "top-down" community planning and development.

Community development corporations are relatively new. They have their origins in the racial conflict and civil rights movement of the 1950s and '60s. Many of us have forgotten – and others of us are too young to remember – that the 1960s was a time of tremendous social and racial unrest in urban America. In 1967 alone, 150 American cities experienced civil disorders. The most serious conflict that year was in Detroit, where 43 people died, hundreds were injured and many square blocks were devastated. The Watts area of Los Angeles had suffered a similar deadly riot in the summer of 1965, with 34 people killed and \$35 million in damages. In a very dramatic way, this racial violence drew attention to the terrible living conditions of poor African-Americans, Hispanic-Americans and others who saw no escape from poverty.

Even before the federal government launched its War on Poverty during the Johnson administration, a number of poor urban neighborhoods had begun to develop their own economic self-help programs. Progress Enterprises, located in a predominantly African-American neighborhood of north Philadelphia, is often cited as the first CDC. In 1962, Reverend Leon Sullivan called upon the members of Zion Baptist Church to invest \$10 per month for 36 months in Progress Enterprises. Its first project was a garden apartment complex for low-income residents. This was the first of many housing, retail, manufacturing and other projects totaling millions of dollars and generating thousands of jobs that this prototype CDC has carried out in north Philadelphia.

Other early examples include: Bedford-Stuyvesant Restoration Corporation, formed in Brooklyn in 1967; Hough Area Development Corporation in Cleveland, OH organized in 1968; and United Durham, Inc. in Durham, NC, founded in 1968. The formation of CDCs picked up momentum in the next few years. There were an estimated 64 CDCs in 1973, some supported by the Ford Foundation, some by federal antipoverty programs and some by both. This number mushroomed to about 1,000 in 1980. The National Congress for Community Economic Development estimates that there were about 2,200 CDCs in 1995. It's noteworthy that, despite the termination of special federal funding for CDCs in the late 1970s, about three-quarters of the CDCs receiving federal assistance in the late 1960s and early 1970s were still in operation in 1996. Whatever the exact number today, there's no question that a small experiment in a few devastated urban black neighborhoods has now become an established means to carry out locally responsive development in all parts of the United States - in urban and rural areas; and in black, white, Hispanic, Asian, Native American and ethnically mixed communities.

Some CDCs, such as Common Wealth, Inc., serve small neighborhoods. Common Wealth is located in the Williamson-Marquette neighborhood, with a population of about 3,000, in Madison, WI. In contrast, Bedford Stuyvesant Restoration Corporation's impact area has more than 400,000 people. Alaska Village Initiatives serves 200 villages of indigenous people scattered throughout the state. Kentucky Highlands is located in nine poor Appalachian counties in southeastern Kentucky.

What these diverse organizations have in common is a model of community and economic development in which local people identify their most important needs and, working through the CDC, find solutions to meet those needs. While CDCs are organized as non-profit corporations rather than as cooperatives, they have many cooperative features. Their mission is to serve a community of members and, in most cases, the members elect the board of directors to oversee this mission. In fact, the National Cooperative Bank, which provides financial assistance to consumer and employee-owned cooperatives, treats CDCs as part of the co-op family. Following are a few examples of how this model works in action.

DESIGNING SOCIAL CHANGE BY THE BAY

A group of Asian-American architectural students from the University of California-Berkeley launched Asian Neighborhood Design (AND) in 1973. They wanted to apply the benefits of their training to development projects in Chinatown and other Asian neighborhoods of the San Francisco Bay area. By late 1995, AND had evolved into a large, multicultural and highly respected community development corporation with a \$4 million budget and more than 60 staff members. In addition to the original architecture and planning services, AND's work gradually has expanded to include business development; community resources and education; employment training; housing; and community development. Likewise, its clientele has grown to include African-Americans, Hispanics and whites. In 1995, only about one-third of AND's clients were Asians and Asian-Americans.

One of AND's major accomplishments has been to develop an employment training program for high-risk youth. A small, hands-on training program begun in 1978 is now Specialty Mill Products, a profitable furniture manufacturing subsidiary with a gross annual income of \$1.5 million and more than 30 employees in 1995. The company's beds, cabinets and other furniture are designed for small, low-income housing units, although their attractive, practical and sturdy construction appeals to a much broader customer base. The success of Specialty Mill Products epitomizes AND's integrated philosophy and practice. Through Specialty Mill, AND addresses low-income housing

needs, provides a training program and jobs for youth, and operates a profit center that helps to support the whole organization. In 1995, AND opened a second Specialty Mill Products manufacturing site in Oakland and is planning to open a third plant in Boston in 1996, working cooperatively with Dudley Square Neighborhood Initiative, a community-based organization.

AND's commitment to youth employment training extends beyond its furniture subsidiary. The organization has established the Employment Training Center, a school licensed by the state of California, to provide both general education and job training to dropouts and other young people who aren't making it in school or in the labor market. In 1995, more than 120 trainees were enrolled in the center's intensive cabinet-making and construction trades training program. More than 75 percent of the center's trainees successfully complete the program. As one graduate put it, "[The training program] made me feel better about myself, because I was actually accomplishing something.... If it hadn't been for the training program, I'd either be selling drugs, dead, or in jail."

For an organization that started out in architectural design, AND's strong expansion into human development areas is an impressive accomplishment. It helps low-income individuals and families to develop skills and become self-sufficient. For example, the CDC has developed a 38-unit intergenerational apartment complex in partnership with San Francisco Network Ministries that is not just a place to live, but also a "life center for the working poor." Residents work together on their academic and job skills, have access to counseling, and learn how to cope better with family stresses and strains. There's even rooftop garden space where each resident can grow flowers or vegetables. All together in 1995, AND provided counseling and housing support services to 1,700 low-income tenants.

Being a community-based design center continues to be one of AND's most important activities. In 1995, the organization provided architectural, design and real estate development services to 60 community-based organizations. These services were targeted to projects serving low-income people and to neighborhood revitalization programs.

Asian Neighborhood Design represents a highly creative, multifaceted approach to helping people become economically and socially self-sufficient and to helping depressed neighborhoods regain a feeling of community. The work of a few architectural students with vision has evolved into a community development corporation that has improved community life throughout the Bay area and, by example, far beyond.

CASTING A WIDE NET IN MAINE

Coastal Enterprises, Inc. (CEI), headquartered in Portland, defines the entire state of Maine as its impact area. As its name implies, CEI once had a narrower focus. This CDC started in 1977 with the mission of improving the economic condition of Maine's coastal fishing communities. To this end, CEI developed fishing cooperatives, set up a processing plant, organized a fishery-related employment training program and established an export company.

After five years of successful fishery development work, the organization branched out in new directions. Now CEI defines its role as a financial and technical assistance intermediary. This is a fancy way of saying that the CDC uses its limited resources to help make a lot of things happen. For example, it has a loan program for small Maine manufacturers and other businesses. The financing terms are good, but they come with a catch. Part of the package is that employers agree to hire low-income and disabled workers.

CEI also helps community groups organize affordable housing programs and, in some cases, plays the role of low-income housing developer. The CDC also runs one of Maine's Small Business Development Centers – the most productive one in the state.

Coastal Development Services is CEI's newest venture. Its mission is to assist other community-based groups in the United States and abroad – especially in central and eastern Europe – to carry out successful business and housing projects that meet the needs of local residents. Ron Phillips, CEI's executive director, is of Albanian descent and has made several consulting trips to Albania and other central European states to promote locally based approaches to development.

CEI's diversified development strategy has been critical to its survival and growth over the past 15 years. The fisheries of New England and the Canadian Maritime Provinces have experienced depressed conditions in the early and mid-1990s, primarily due to overfishing. In the last half of the 1970s, CEI helped small-scale fishermen compete more effectively through co-ops, joint processing and joint marketing. Recently the organization's role has been to work with these fishermen and their communities to become less dependent on fishing and to diversify their local economies into manufacturing and tourist-related businesses

REVIVAL IN NEWARK

Newark, NJ did not escape the racial turmoil and civil disorders of the 1960s. In July 1967, allegations of police brutality toward a black cab driver escalated into a riot that left 23 people dead, 1,020 injured and \$15 million in property damage in Newark's Central Ward. Six months later, New Community Corporation rose almost literally out of the ashes. Under the leadership of Father (now Msgr.) William Linder, the pastor of an inner-city parish, and a group of religious and lay leaders, this new organization was formed to make a constructive response to the unrest in the Central Ward and the underlying community problems. New Community was intended to be a comprehensive service organization addressing the social and economic problems that plagued the 50,000 predominantly black residents of the Central Ward.

New Community represents a partnership among neighborhood residents, who have eight of nine seats on the board; religious congregations from Newark and its suburbs; and city and state officials. In the past 28 years, this unique cooperative effort has produced a large, complex CDC with 37 affiliate organizations providing a range of social services – from child care to home-care services for the elderly; housing construction and management services; real estate services; ownership of a neighborhood shopping center; employment and training services; and individual and small business financial services. Following are a few examples of New Community's activities.

• Housing. In 1996, the city of Newark is razing 288 units of poorly constructed, unpopular public housing. On the same site New Community will be using a grant from the Department of Housing and Urban Development to build 206 townhouses providing home ownership opportunities to low- and extremely low-income Central Ward residents. If successful, this project will provide a national model of how to replace the demeaning living conditions of many public housing projects with attractive housing units owned and maintained by the residents.

New Community also owns and manages 3,100 units of rental housing for seniors, families and others.

- Services. The CDC provides a broad array of services to virtually every age group, including seven day care centers serving more than 700 children, home health-care services and a number of youth programs.
- Economic Development. New Community and its affiliates employ 1,400 people. Many work in the CDC-owned neighborhood shopping center, which has a supermarket and more than eight other businesses owned by New Community.
- Employment and Training. The CDC operates a full-service employment and training center that places about 1,000 people in jobs each year. The center also has a GED training program providing high school dropouts with the opportunity to get the equivalent of a high school diploma. Several hundred job seekers participate in this program each year.
- Financial Services. New Community has organized a credit union with 2,300 members. In early 1996, the credit union applied for a grant

under the federal Community Development Finance Institution program. This grant would assist the credit union to provide a range of services to local residents and businesses including low-cost home buyer mortgages and a micro-business loan fund. The CDC also has organized a multibank development loan fund, in which seven Newark area banks have committed \$400,000 per year to business development projects in New Community's service area.

These examples illustrate some of the diverse ways New Community is building a new community in Newark's Central Ward. The word that characterizes this CDC's approach to development better than any other is "comprehensive." Whether the need has been social, housing or economic development, New Community has established a program to meet that need during its productive 28-year history.

TRADING UP IN NAVAHO

One of the images from the bad old days of white-Indian relations is of traders ripping off Native Americans when they came to purchase and barter goods at trading posts. That image is not as far back in time as we might like it to be. In the late 1960s, residents of Pinon, AZ, on the Navaho reservation, brought a class action suit against the local trader, who ran the only general goods store in town. They also formed a cooperatively owned store to provide an alternative shopping place to the trading post.

The Pinon idea caught on in other reservation communities. Other groups formed a half dozen or so local co-ops in areas where people were dissatisfied with non-Indian traders. During the 1970s, managers or other local residents bought out these cooperatives; some others went under. Three or four of these stores were still in operation in 1996.

Taking on the traders and providing locally owned alternative stores is only the beginning of the story. This successful initial foray into economic self-determination led to the formation of Dineh Cooperatives, Inc. (DCI), a community development corporation that has created more than 850 permanent jobs on the reservation, has two profitable subsidiaries (a shopping center and a manufacturing company), and has also carried out ambitious hospital and housing projects.

Dineh is the Navaho word for "the people," and DCI is a people's organization. Community residents elect 14 board members who appoint two additional directors. The board makes the policy decisions for this multimillion dollar organization. DCI's primary impact area is the central and southwestern part of the reservation. The area has a population of about 25,000. The organization's broader goal is to serve

all 135,000 Navahos on the reservation, which has an unemployment rate around 50 percent.

The DCI Shopping Center is a wholly owned subsidiary of DCI, located in Chinle, AZ, near the center of the reservation. The shopping center was initiated in the 1970s and was DCI's first large-scale project. One of the difficulties of doing economic development projects on reservation land is securing a long-term lease, since the sale of Navaho land is prohibited. According to Jon Colvin, the CEO of Dineh Cooperatives, it takes from six to 10 years to secure a long-term lease. DCI's perseverance paid off in the case of the shopping center. As of 1995. 15 stores subleased all the available square footage from DCI; they employed 180 people and generated sales of \$16 million. In 1996, DCI was in the process of expanding the mall for the fifth time and was planning a sixth expansion for 1997. The significance of the shopping center is that it dramatically overturns the old trading-post pattern of outside ownership and the exporting of capital off the reservation. Colvin states DCI's intent very clearly: "We are attempting to change a colonial economy into an equal financial and trade partner with the rest of America by creating an active and viable private sector in the Navaho Nation."

Tooh Dineh Industries represents the second bold economic development project of DCI. It, too, is a wholly owned subsidiary. It began in 1983 as a three-person precision machinist shop in Leupp, AZ, in the southwest corner of the reservation. By 1995, Tooh Dineh had become an electronics manufacturing firm with about \$50 million in annual sales and 400 employees.

DCI received outside support in the development of these two businesses, especially from the Community Services Administration and the block grant program of the U.S. Department of Housing and Urban Development. DCI still seeks out grant and loan funds for its new development projects, but now that its two major ventures are up and running successfully, the organization's profits support its core operations.

In addition to its entrepreneurial activities, DCI also plays the role of catalyst on the reservation. Several examples include: the lead organizing, planning and grant-writing role in the development of a \$32 million comprehensive health-care facility in the late 1970s; assistance in the development of the Chinle Community Fire Department; and efforts in 1996 to develop on-reservation options for middle-income housing – a problem complicated by the tribe's leasing limitations. These community development efforts, as impressive as they are, are a sidelight to DCI's primary mission of creating businesses and jobs on the reservation.

In the long term, Dineh Cooperatives, Inc. wants to replicate its business development success throughout Navaho country, helping to form small and medium-size businesses that establish "an active and viable private sector in the Navaho Nation," far removed from the trading-post economy that dominated the reservation less than three decades ago.

VILLAGE ENTREPRENEURS IN ALASKA

It's hard to imagine a community development organization that operates in a 571,000-square-mile area, a territory that is more than one-seventh the size of the United States. Alaska Village Initiatives (AVI) has been facing this challenge since its formation in 1968. Fortunately, it doesn't serve every square mile of that area, but the 200 Alaska native villages that it does serve are scattered throughout the largest and least densely populated state in the Union.

Originally created under the name Community Enterprise Development Corporation of Alaska, Alaska Village Initiatives was rechristened in 1993 in part to reflect a shift in its mission toward greater emphasis on village-level business development. AVI has similar historical experiences to both Coastal Enterprises and Dineh Cooperatives. Like Coastal Enterprises, AVI was heavily involved in the fishing industry in its early years, organizing several fishing cooperatives and acquiring partial ownership in a salmon processing plant. Like Dineh Cooperatives, AVI assisted villagers to form consumer cooperatives – 10 in 1969 and 1970 alone – as an alternative to the Alaska Commercial Company stores, the equivalent of the trading posts on the Navaho reservation.

Also similar to these other two CDCs, AVI has shifted priorities since the early days. By 1992, the fishing industry in much of Alaska, as in Maine, had fallen on hard times. AVI's fishery development efforts were scaled down accordingly. Some of the village consumer cooperatives are still operating. However, AVI decided that the best way to compete with the "trading posts" was to own them. The CDC purchased the Alaska Commercial Company in 1977. By 1993, AVI had modernized its 23 village stores and turned the company into a successful business with \$62 million per year in sales and 500 employees. At that time, it was the ninth largest Alaska-based employer.

In 1992 and 1993, AVI underwent a major change in its development philosophy and strategy. The board and staff decided the organization would have the most positive impact on the communities it served by being financially self-sufficient in its operations and by concentrating on financial assistance, technical assistance and demonstration projects. Running a major business such as the Alaska Commercial Company

took too much time away from these objectives. Accordingly, AVI sold the company to a Canadian buyer who the board felt confident would provide continued high-quality management of the stores and would invest new capital in them.

As of early 1996, AVI was primarily in the business of microenterprise assistance in the form of training sessions, consulting and loans. One of the ironies of the organization's recent change in priorities is that business services that AVI used to provide for free or with a subsidy are now offered at market-rate or close to market-rate – and the popularity of these services is greater than ever. For example, AVI's spring 1996 rural small business conference was sold out, with 250 participants willing to pay \$150 each for an event that used to have a nominal charge.

Cottage industries and small tourism businesses are growth areas in native villages. One business in a village of a few dozen native Alaskans employs three people making buttons out of caribou antler. AVI also helped 12 small, locally owned tour companies form a marketing cooperative that mass-mails 100,000 brochures per year to prospective clients

One area in which AVI continues to play the lead development and ownership role is light industry, as long as the project does not compete with already established businesses.

Like Coastal Enterprises, AVI also has recently begun to provide business consulting assistance abroad. International Initiatives, a newly formed subsidiary, is focusing initially on micro-enterprise development in Russia, a short flight across the Bering Sea.

The story of Alaska Village Initiatives is one of adapting to external economic conditions and also of taking stock internally. AVI appears to be making a successful transition from being a large business owner doing small-enterprise development on the side to being primarily a multiservice assistance provider to native Alaskan micro-entrepreneurs.

SHARING THE WEALTH IN MADISON

The Williamson-Marquette neighborhood in Madison, WI is vastly different from Native American villages in Alaska or Arizona, or from a central-city neighborhood in Newark. It's only about a mile long and a half-mile wide with a population of around 3,000. Most of the residents are white, but the neighborhood is home to black, Asian, and Hispanic families as well. It's not a poor neighborhood, nor is it run down, nor does it have a particularly high drug or crime rate. Yet Williamson-Marquette, which is not unlike thousands of urban, suburban and small-town neighborhoods in terms of its demographic characteristics, does have a community development corporation.

Common Wealth Development, Inc. (CW) has its origin in a protest against the location of a prefabricated, fast-food restaurant on Williamson Street in the late 1970s. An organized group of neighbors was able to steer the franchisee to another part of town (and to a less objectionable design). The proposed restaurant site became an attractive "vest pocket" park.

Not satisfied with a successful protest, a group of neighborhood leaders decided to focus on planning and carrying out positive projects. They knew what they didn't want; now the challenge was to figure out and implement what they did want. Common Wealth was formed in 1979 with a three-part mission: to improve the housing stock; to do business and job development; and to improve the neighborhood as a place to live.

This scrappy little organization has been carrying out its mission ever since. Following is a sampling of some of its projects:

• Housing. An early project was the renovation of the "four yellow houses." A local slumlord owned four adjacent houses on Williamson Street that had been cited for a long list of housing code violations, including peeling paint. The landlord's response was to paint the fronts of the houses (but not the sides or backs) a garish yellow color – hence their name. Common Wealth acquired the houses, did a major renovation and turned the buildings into an eight-unit housing cooperative with one handicapped-accessible apartment.

CW has done several other housing projects as well, including: an eight-unit low-income housing cooperative completed in 1991, with four units specifically designed for people with physical disabilities; an eight-unit apartment complex renovated in the late 1980s and designed as transitional housing for women and children who had been victims of domestic abuse; and a sweat-equity and low-cost mortgage program intended to help low- and very low-income people buy their own homes.

• Business and Jobs. CW's showcase business development project is the Madison Enterprise Center. The center currently houses 15 small businesses and seven artisan studios. CW provides below-market-rate space and a number of shared services for its tenants, including business consulting; reception services; use of computers, copying machines and other equipment; and marketing assistance. In return, tenants agree to give priority to hiring low- and moderate-income employees. More than 60 people work in the building that is leased for \$1 per year from Madison Gas and Electric. In addition, at least four businesses had "graduated" from the center by late 1995 and relocated within the neighborhood retaining about 25 additional jobs.

Because the Madison Enterprise Center had a long waiting list in the early and middle 1990s and because its mission was to provide temporary tenancy to small new businesses, CW renovated an old

Greyhound terminal in the neighborhood to meet the demand for additional long-term business space. Main Street Industries opened in early 1996, with four businesses relocating from the center and thus opening up room for new ventures on the center's waiting list. In 1996, CW plans to have 18 or 19 businesses located in Main Street Industries. As with the center, tenants will agree to give priority in their hiring to low- and moderate-income employees.

CW also has developed and improved retail space along Williamson Street to strengthen the neighborhood as a place to shop as well as to live. Projects include a four-business mini-mall, an expansion of a

grocery co-op and a bicycle shop.

• Community Building. CW has developed a youth business mentoring program in which at-risk neighborhood kids, aged 14 to 16, work in area businesses after school, with their wages paid by the mentoring program. The program has proved so popular with both the kids and the business people that CW has been asked to expand it into other neighborhoods. In 1996, CW staff expect to have 125 youths participating in the program in four neighborhoods.

The Willy Street Fair represents community building of a different kind. The fair is an annual September event bringing thousands of neighborhood residents and others together for a day of music, games, costumes and socializing. Common Wealth staff and volunteers take the lead role in planning and organizing this celebration of community.

What characterizes Common Wealth more than anything else is its resiliency, tenacity and ability to remain focused on its three-part mission over its 16-year history. As with other community development corporations, it has had to rely for financial support on a variety of funding sources, including private foundations and local, state and federal government programs. Changing public and private agendas have required new approaches. Throughout all this, Common Wealth has not only survived, but it also has continued to find ways to make Williamson-Marquette a better place in which to live, work, do business and have a sense of community.

COOPERATIVE COMMUNITY PLANNING

One possible reaction to the successful CDC examples cited above is: "That's too big or too complex for our neighborhood or community. Besides, we don't have the ability (or the desire) to go after that kind of grant or loan money." If this is your reaction, there's a variation of bottom-up community development that might appeal to you. In this model, community residents get together to carry out a cooperative planning process. Citizen planners identify problems in their community, prioritize them, identify possible solutions and develop plans for

carrying them out. The citizen planners may choose to play an active role in implementing the ideas they come up with, or they may pass on that responsibility to local governments, local business organizations, the school board or some other group.

On the other hand, after going through a cooperative development planning process, a local citizen group may decide that the best way to carry out the plans they have developed is to form a new communitybased organization. Following are some examples of cooperative planning at the local community level.

CULTIVATING RURAL ACTION IN IOWA

Something got lost in rural America about three decades ago: the realization that agricultural production and processing is the main economic activity in this country's rural counties. Instead, local and state governments, chambers of commerce and industrial development corporations went off prospecting for outside businesses to relocate to their communities, often providing lucrative enticements in the form of cheap land, low taxes and subsidized loans. All of this was in the name of "economic development."

In 1993, Iowa's Department of Economic Development rediscovered that farms and locally based agricultural processing are economic development, too. Department officials observed: "We don't have to chase around the country begging businesses to move to industrial parks in our rural areas. The farms are already there. The raw materials, in the form of agricultural products, are already there. The business investors – farmers and other local residents – are already there." The missing ingredient was local planning to turn these opportunities into economic benefits.

Rural Action! was the department's innovative program designed to reintroduce agriculture into the economic development repertoire of Iowa's rural counties. The department hired Cooperative Development Services of Madison, WI, to prepare a manual, facilitate the planning sessions and assist with project feasibility studies. The W.K. Kellogg Foundation provided some financial support for this effort and for similar ones in Minnesota and Wisconsin. In 1994 and 1995, eight Iowa counties were selected on a competitive basis to participate in the program. Each county had a local coordinator and a Rural Action! committee consisting of about 20 farmers, business people, local government representatives and other citizens from around the county. Using the planning manual, a professional facilitator led the committees through a cooperative planning process that involved five or six meetings over the course of a year.

- Committee members first identified the major agriculture-related problems that affected their county and prioritized them.
- They then identified possible projects that addressed the top priority problems and selected three or four potential projects for further action.
- At this point, the committee divided into three or four subcommittees corresponding to the potential projects and studied the feasibility of each proposed project. This analysis took place over a period of several months.
- At the end of the feasibility study phase, each committee determined whether its project was worth pursuing.
- For those projects that appeared feasible, the next step depended on the complexity and cost of the project. In some cases, the committee decided to move right into the implementation phase. In other cases, a more detailed business plan had to be prepared and financing had to be secured.

Following are a few examples of projects undertaken by some of the eight Iowa counties that participated in *Rural Action!* in 1994 and 1995.

IDENTITY PRESERVED GRAINS

Over half of the eight county planning groups selected "identity preserved grains" as one of their priority projects. The idea behind these projects is simple. Corn is not corn is not corn. There are different kinds of corn (and soybeans and wheat, etc.), some of which receive higher prices in the marketplace than others. For example, there is a high-oil corn that is a better animal feed. A low-fat soybean produces a healthier cooking oil. There are grains that are grown organically — without chemical fertilizers, herbicides and pesticides. All of these receive a premium price in the marketplace.

The trick is to link up farmers with buyers of these specialty grains and, in some cases, to provide assistance to producers who are trying out new seed varieties and farming practices. Some of the county groups helped farmers get contracts with established buyers, others linked them up with marketing co-ops, and one is working with farmers on forming a new specialty crop co-op.

MOBILE MANURE SEPARATOR

This may not sound like a glamorous project, but in a state like Iowa, with a large hog and cattle population, animal waste is a serious concern – and a golden-brown opportunity. The two big problems related to manure disposal in Iowa are water pollution and odor. A project identified by the Fayette County group was to create a new farmerowned business in the county that would remove manure solids from area farms; compost the manure with recycled newsprint, yard waste

and other waste materials; and bag and sell the resulting product as a high-quality compost. The project also addresses the smell issue – identified by Iowans as the number one agricultural problem in the state – because separating waste solids and liquids substantially reduces the odor from fermentation, and because well-regulated composting is virtually odor-free.

OTHER PROJECTS

Other Rural Action! projects included vacation farm tours; local, farmer-owned grain processing facilities; an ethanol plant (this county project joined forces with a larger regional project); several projects intended to get a higher return for local farmers on their livestock; an alfalfa marketing co-op; and a program to assist in the transfer of farms from retiring farmers to young farmers.

Rural Action! has proven to be an effective partnership between the state of Iowa and local citizens interested in building on the strengths of their agricultural resources. A wealth of local leadership, creative ideas and business development savvy has emerged in the eight county-level, cooperative development planning groups. This model has excellent potential for adaptation in thousands of other rural counties that want to rediscover the dynamic role agriculture can play in local economic development.

TOWNS NOT DOWN AND OUT IN WISCONSIN

The Wisconsin Towns Association sponsored three rural, county-based planning groups in 1995 that were similar to Iowa's, although they did not have an exclusively agricultural orientation. Cooperative Development Services, with financial support from the W.K. Kellogg Foundation, provided staffing for these groups. Despite the broader planning mission, all three groups selected at least one agricultural project for feasibility analysis. Other projects included services to recreational property owners, two tourism projects and a forestry cooperative. Probably the most innovative project was the Vernon County plan to strengthen the role of local artisans in the community and to increase their incomes by identifying new marketing opportunities and by building an area craft school.

The planning work in Wisconsin sponsored by the towns association illustrates the point that local cooperative development planning can be supported in a wide variety of ways. States can play a major role, as in Iowa. Local government units – counties, cities, villages and towns – can be the catalysts, either individually or jointly. Private entities – such as rural electric cooperatives, public utilities, chambers of commerce,

neighborhood organizations, church groups and foundations – can all provide support for this kind of cooperative planning.

Even though the examples presented above are all in rural counties, this citizen-based planning is equally effective in urban neighborhoods. The critical needs are that, first, *somebody* get the ball rolling, and second, that the planning process be conducted in an efficient manner, combining a balance of active participant involvement and genuine movement toward the identification and implementation of achievable objectives.

CONCLUSION

The primary theme of this chapter is that community residents can make a difference in shaping the future of their neighborhoods, cities, villages and counties by cooperatively planning and carrying out projects. The chapter also has several subthemes:

- 1. There is no "right" population size or geographical area for local cooperative action. Small or large urban neighborhoods can do it. Organizations serving different-sized rural areas also can carry out successful cooperative projects.
- 2. Beyond planning and working cooperatively and using good social and economic judgment, there is no right way to do good community projects. In some of the examples described above, local planning groups have been catalysts and "nudgers" to get local governments or business groups moving. On the other end of the spectrum, some projects have evolved into large development organizations with hundreds of employees planning and implementing dozens of programs. Both approaches are good as long as they are accountable and responsive to community needs.
- 3. Starting off with manageable-sized projects is important. Despite the range of workable cooperative action models they have developed, all of the examples in this chapter have selected a geographical focus and have carried out an initial project or set of projects that they could handle
- 4. The final subtheme is "do something." All of the above examples represent community groups taking action. It would have been tedious to present a sampling from the tens of thousands of communities around the country in which people perceive local problems and opportunities, but do nothing about them. Cooperative community action works, but only if local citizens make it work.

Finally, the underlying premise for community cooperation is articulated beautifully in the following quote from a January 1996 U.S. News and World Report article about the loss of social and civic involvement in contemporary America and the efforts that some

communities are making to change this: "[T]he infrastructure of civic life remains intact, even in some of the nation's poorest neighborhoods. It's just waiting to be rediscovered."

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CHAPTER 12.

LOCAL GOVERNMENTS: FORGING PARTNERSHIPS & LEAVING OLD RIVALRIES BEHIND

Towns, villages, cities, counties and school districts face a variety of political and economic pressures causing them to search for ways to cut costs, improve services or add new ones — sometimes all at the same time. This chapter provides examples of how some communities have accomplished this seemingly impossible set of tasks through cooperative purchasing and sharing of services; the use of telecommunications to educate students at multiple sites; joint recycling services; and a state program that assists a range of cooperative activities at the local level.

NEIGHBORING COMMUNITIES: FRIENDS OR FOES?

The 15 towns and villages of Tioga County, NY, have learned to cooperate. In 1991, they saved their citizens \$200,000 through a joint health insurance program. They also cut costs on highway and office supply purchases and simultaneously reduced the cost and improved the quality of safety training for municipal workers.

The state of Pennsylvania is promoting and assisting cooperation through its *Intergovernmental Cooperation Handbook*.

Twenty-three government agencies collaborated to form a transit authority in rural Sweetwater County, WY. The result of consolidated transportation services in a county the size of Vermont is more riders at no increase in cost.

Cities in metropolitan areas cooperate, too. Twenty-eight municipalities in the Milwaukee area have formed the Intergovernmental Cooperation Council. Members have jointly purchased police squad cars, collaborated on a household hazardous waste cleanup program, hired a telecomunications consultant and bid jointly on health insurance. Six communities have merged their fire departments. As one village president says: "... [I]t's better if we work together, instead of every community struggling along by itself."

These examples of local communities working together are the exception rather than the rule. The municipal equivalent of rugged individualism continues to impede joint action among local governments. Small and large communities alike tend to base their identities on a combination of local pride and antagonism toward their neighbors. One of the historical images of local communities and neighborhoods in America is a feudal one – a scattering of symbolically walled villages spread across both metropolitan areas and the countryside. The skirmishes among these fiefdoms have taken the form of high school sports rivalries, main street business competition and coffee shop gossip.

This feudal image still applies in many cities and towns, but it's beginning to be displaced by a far more collaborative one. Joint economic, social and educational projects are becoming increasingly common among neighboring communities. Sometimes this cooperation is informal - for example, providing ambulance services across jurisdictional lines. Sometimes it takes the form of a service contract, such as a city picking up garbage for a fee in a nearby unincorporated town. In some cases several nearby municipalities may enter into a joint powers agreement in which they carry out an activity as a group, such as recycling waste or buying school supplies. Regional councils, also known as councils of government, represent a fourth kind of local government cooperation. These councils are often multicounty bodies that carry out coordinated planning and review projects that may have an impact on their regions. Most states also have cooperative educational service agencies or agencies with similar names that provide cooperative sharing of services among school districts in sub-state regions.

There is no reliable estimate on the extent of local governmental cooperation in the United States. If informal cooperation is included, there may be thousands of examples. In this chapter, however, we will focus on a narrower range of projects involving shared purchasing, services and marketing by formally organized groups of more than two units of local government. We will exclude regional councils and cooperative educational service agencies from this discussion because these organizations are already well-established and researched. Based on this narrower criteria, we estimate there are 500 to 1, 000 examples of this kind of local government cooperation in the United States. This phenomenon appears to have grown dramatically in the 1980s and early 1990s. Given that there are about 85,000 units of local government in this country, it's clear that this kind of intercommunity cooperation is in its infancy.

Why are there an increasing number of local governments coming together to buy supplies jointly, share equipment and personnel, and, in general, stretch the value of local taxpayers' dollars? This incipient

movement toward greater local cooperation is occurring for a variety of reasons. In some communities a decrease in the population has eroded the local tax base. In others, an increase in population has put pressure on sewer, water, street and school costs. High unemployment and business closures have been motivating factors for looking at joint solutions in some counties and regions. A reduction in state and federal resources has been a factor for many local governments. An irate local citizenry complaining about high taxes has been yet another.

Recent research and the school of hard knocks have dispelled many misconceptions about local and regional economic development strategies in the 1970s, '80s and '90s. As local governments have become disillusioned with unsuccessful strategies, they have become more willing to look to their neighbors for cooperative approaches. Information about how regional development works and doesn't work provides strong support for local communities banding together to build on their combined strengths. Joint approaches clearly beat competing against one another using development strategies with low odds for success.

One of the myths is that if a community builds an industrial park, industry will come. Unlike Field of Dreams, this economic development strategy usually doesn't work. Numerous cornfields with sewer and water hookups and abandoned urban warehouse districts that look like war zones attest to this sad fact. A growing body of research over the past two decades indicates that most local communities find that seeking jobs and economic growth through recruiting outside businesses doesn't pay off. Even those communities that do win this industrial lottery sometimes find out that they've given more in financial incentives than they get back in tax revenues and jobs. Or they find that the businesses they so arduously wooed are off to greener, sometimes foreign pastures, or close down after they have taken advantage of the incentives.

On the other hand, homegrown strategies for economic development – based on the expansion of already existing local businesses and the startup of new businesses by local entrepreneurs – generally have proven far more effective than "smokestack chasing" in generating job growth and in providing a good return on investment to the communities involved. Because they're locally based, these companies are much less likely to be footloose than businesses recruited from the outside.

Recent research also shows that the benefits of successful local economic development in one community extend to other communities within commuting distance. Direct and indirect job benefits are spread throughout this broader area. People shop, build homes and pay taxes not just in one community, but in many.

Effective regional economic development isn't the only benefit of local government cooperation. Quantity, quality, timeliness, stability,

efficiency and economies of scale are all reasons cities, villages, towns, school districts and counties have joined together to purchase and share goods and services. Volume discounts apply to snowplows and fire engines as well as to toilet paper and erasers. Volume ordering also provides the ability to customize requests and to get orders met in a timely fashion. Shared services mean five communities making full use of an expensive piece of composting equipment rather than one community grossly underutilizing the equipment. In the same way, a cluster of villages can hire a full-time attorney or engineer rather than bringing in outside expertise that's far more expensive and not always available when needed.

As with other forms of cooperation, however, the success of intergovernmental collaboration is based on more than just good economic sense. The prerequisite is local officials who perceive the potential positive impact of mutual action and are willing to overcome local rivalries. Following are three examples of communities that have reaped the benefits of local government cooperation and one example of a state program that has fostered these joint efforts.

WACCO MAKES SENSE IN MINNESOTA

Laurie Mullen is the executive director of the Western Area Cities/Counties Cooperative (WACCO, pronounced whack-o) in Minnesota. Her previous job was as a buyer for a sporting goods store. She now coordinates equipment sharing, purchasing and joint workshops among 19 cities and nine counties in a mostly rural area of Minnesota. In the past two-and-a-half years, Mullen has played a lead role in transforming WACCO from a good idea to an effective organization.

"When I started in September 1993," Mullen says, "the city managers wanted the cooperative to begin working on many projects at once. I wanted to start out slowly and do a small number of things well." Her first initiative was to organize a series of meetings and picnics among the directors of public works departments in the member cities. Although they ran similar operations in neighboring communities, few of these department heads knew each other. The get-togethers organized by Mullen were a big success resulting in new friendships, information sharing, and, eventually, joint workshops and sharing of equipment among the public works departments.

"I don't tell people how to cooperate," she notes. "I ask them for ideas and recommendations. When they respond, I give them credit in our newsletter." Mullen also has done a series of surveys in the different departments of the member cities and counties to identify common needs and ideas for workshops and other services that WACCO might provide.

Mullen is particularly proud of the more than 80 workshops the cooperative organized for city and county personnel in 1993 and the first

half of 1994. These workshops have saved WACCO members over \$300,000 in fees and travel expenses. These savings come from the fact that workshops are held within the organization's nine-county service area. As a result, participants don't have to travel an average of 200 or more miles to the Minneapolis-St. Paul area and pay for meals and lodging while they're there. Workshop savings alone represent well over three times the current annual budget of this intergovernmental cooperative. The workshops have covered a wide range of topics including road maintenance, defensive driving, health and safety, specialized police officer training and employee rights.

The cooperative has its origins in a successful, informal equipment-sharing program developed by the cities of Fergus Falls and Perham, MN. The two city managers figured if this approach could work well for two cities, it could have an even bigger impact on saving money and improving services if more cities were involved. The fact that Fergus Falls also had an agreement with the neighboring town of Morris for jointly employing a building inspector provided a further impetus to expand intergovernmental cooperation in the region.

Representatives from 11 western Minnesota cities, ranging in size from Moorhead (30,000) to a number of communities with populations of a few hundred, met several times in 1991 and 1992 to discuss the idea of greater intercity cooperation. In early 1993, with the help of the Educational Cooperative Service Unit – a cooperative of school districts serving the region and based in Fergus Falls – the city managers submitted a grant request to Minnesota's West Central Initiative Fund to establish WACCO. The Initiative Fund approved the grant in the summer of 1993. The cities formed the cooperative under Minnesota's joint powers agreement statute and hired Mullen as executive director.

After her initial success with joint planning among public works department heads, Mullen organized similar get-togethers and planning sessions with fire chiefs, police chiefs and other municipal department heads. As a result of this "bottom-up" approach, most of the ideas implemented by WACCO for information and equipment sharing and joint training have come from local government personnel who know what their needs are. The more than 80 workshops organized by WACCO in less than a year-and-a-half attest to the effectiveness of this strategy.

WACCO grew rapidly in its first two years. Six additional cities joined the organization by the summer of 1994. Two more cities and all nine counties in which the member cities are located joined in the summer of 1995. All together, there were 28 local government members of the organization by the fall of 1995.

The next big push for WACCO will be to implement a computerized system for scheduling the sharing of personnel and equipment among member governments and for coordinating the purchasing of supplies and equipment. The co-op already is carrying out limited coordination of equipment sharing and supply purchasing. However, computer networking will speed up and expand the process and will greatly increase financial savings resulting from the cooperative.

For example, a city might post a notice on the computer network that it would like to rent a piece of composting equipment. Another city with the equipment would respond, and the two would negotiate a deal. Or, if several cities want to rent the same piece of specialized equipment, they may be able to save money by renting the equipment together. In fact, a group of WACCO member cities already have jointly leased a large tree grinder and a mobile piece of equipment called a "scarab," which chops and treats leaves and brush and rapidly accelerates their processing into reusable compost. In both these cases, joint leasing was far more cost-effective than leasing by individual cities.

The same type of approach can be used for purchasing. A county public works department may post a computer notice that it wants to buy four snowplow blades of a specific type. Other counties and cities can then add their own requests to the order. In most cases, WACCO will be able to get better prices on large-volume orders than the local governments would be able to get themselves on smaller orders.

At a time when most local governments are looking for innovative ways to contain costs without gutting local services, the kind of intergovernmental coordination exemplified by WACCO deserves close scrutiny. These 28 local governments are showing that cooperation can result in lower costs, improved training programs and other services, and a positive regional identity that goes beyond dollars and cents.

Overall, Mullen sums up her development strategy as follows: "Cooperation needs to start at the bottom. It can't be forced. What has made WACCO gain acceptance by department heads and other local government employees is that they feel they have nothing to lose by participating and an awful lot to gain." One measure of Mullen's and WACCO's success is that in June 1995 the organization won the City Achievement Award from the League of Minnesota Cities.

High school hockey rivalries in western Minnesota may still bring the partisans out to the rink on frigid Friday nights, but cooperatively purchased snowplow blades now clear the roads that get them there.

LEARNING TO COOPERATE AND COOPERATING TO LEARN IN WISCONSIN

Trempealeau County in western Wisconsin borders on the Mississippi River. Small dairy farms, wooded areas and villages divide up the landscape. The region's bluffs and rolling hills impart a bucolic

beauty to the countryside, but also exact a price from those who choose to make a living from the land. The county's population is about 26,000. Arcadia, the largest city, has 2,200 residents. As with many agricultural areas in the United States, Trempealeau County has experienced a loss of farms (10 percent in the 1980s alone), a loss of farm-related jobs and, consequently, a loss of population in recent decades. These losses have been eased somewhat by growth in light industry, particularly by the presence of a large furniture manufacturer. Nonetheless, the small, dispersed population, coupled with the declining number of residents, has created problems for the county's economy and service sector. Educational services have not been immune from these problems.

A group of community leaders and school administrators began meeting in 1973 to address part of this overall problem. They were particularly concerned about the quality of education and the desire to minimize school consolidations. They believed that interactive television (often referred to as distance education) linking up the county's eight high schools would provide a way to increase the diversity of course offerings and reduce the need for school consolidations. They also recognized a broader community need that could be addressed at the same time: access to television services by the county's residents. The county had poor-quality reception because of the distance from television transmitters and the hilliness of the region and because cable companies considered it to be uneconomical to serve this low-density area.

The steering group incorporated the Western Wisconsin Communications Cooperative in 1975. The eight school districts in the county also entered into a cooperative agreement to form Project Circuit, a coordinating organization responsible for raising funds and bringing interactive cable programming into the schools. With the help of a W. K. Kellogg Foundation grant and loans from the Farmers Home Administration and the Rural Electrification Administration, these two organizations were able to start up cable services to the schools and county residents in 1979.

The origins of interschool cooperation go back well before the start of interactive cable programming. The Trempealeau Valley Cooperative, a project of four school districts established to coordinate educational services and busing, set the stage for Project Circuit and the Western Wisconsin Communications Cooperative in 1967. At that time, new federal and state mandates initiated educational programming requirements for students with special needs. The four school districts decided to share resources among themselves as a means to respond to these mandates. The districts were close enough together so that busing of students was an effective way to meet special educational needs in a cost-effective manner. In fact, this cooperative approach was so

successful that the four schools expanded it to include vocational programming and college-bound courses.

For example, none of the schools had enough students for a thirdyear German class, but by bringing together students from several schools, they were able to offer the class. In the case of vocational training, relatively expensive equipment is required for such courses as woodworking, metal working, construction and automobile repair. By having one school specialize in each of these four areas of training, the schools could afford to meet these vocational training needs with professional instructors and quality equipment and facilities.

When the Western Wisconsin Communications Cooperative began operation in 1979, most of the college-bound classes, such as language, math and science courses, became part of the interactive cable curriculum and were no longer provided through Trempealeau Valley Cooperative's busing program. There also has been an increased emphasis in the 1980s and '90s to integrate students with special needs into "mainstream" classes. Thus, Trempealeau Valley Cooperative's primary focus in the mid-1990s is on vocational courses that require hands-on experience and specialized equipment and for which distance learning isn't feasible.

Sixteen years after Western Wisconsin Communications Cooperative and Project Circuit began operation, they're both still growing strong. The cooperative has about 6,500 cable subscribers. Project Circuit continues to be governed by eight school superintendents and has a multiyear lease agreement with the cooperative for interactive cable services. In fact, in 1996 the two organizations are developing a plan for an ambitious expansion of distance learning and other telecommunications services.

In 1996, one program with up to four sites (usually classrooms) can be hooked up at the same time. For example, a calculus teacher can have a class with three students at his or her site and small groups of students at three other sites. The people at all four sites can see each other on television monitors and talk to each other at the same time. One part of the plan would expand the capacity of the system to have two such programs occurring simultaneously.

Another part of the plan would make access to the Internet available through the cable network. One of the problems with Internet access in rural areas is that a long-distance call usually is required to get into the system. With multiple users, long-distance charges can get expensive fast. In Trempealeau County, the communications cooperative and the local telephone cooperative are developing a system that would allow the schools to communicate with one another and with the Internet at greatly reduced cost, thus opening up this immense, new educational medium to area students and faculty.

Schools, whether rural or urban, have tremendous opportunities to share resources with one another and to gain access to things they couldn't get on their own. In some cases such joint activities translate into lower costs; in other cases, into better learning experiences. Trempealeau county provides an excellent example of a case in which the quality and the cost-effectiveness of education are improving at the same time.

WASTING NOT IN NEW ENGLAND

As environmental awareness increased in the late 1970s and early 1980s and as landfill costs began to skyrocket, local governments in the densely populated northeast United States felt especially strong pressure to break out of old waste disposal patterns. A group of four municipalities formed the New Hampshire Resource Recovery Association in 1981 to provide a cooperative solution to their waste management problems.

The non-profit association started out with a joint newspaper marketing effort. Each town was too small to collect enough paper to interest a buyer. As a group, however, they were able to enter into a marketing agreement. Since this initial contract, the association, now known as the Northeast Resource Recovery Association (NRRA), has grown to about 200 voting municipal members in New Hampshire, Maine, Massachusetts and Vermont and a comparable number of nonvoting for-profit, non-profit and individual members. One measure of NRRA's success is that 50 recycling organizations in the United States and Canada have adopted the organization's resource-recovery model.

NRRA has seven different cooperative marketing programs (paper, plastics, aluminum and steel cans, scrap metal, glass containers, scrap tires and household textiles) and three purchasing cooperative programs (waste management supplies such as baling wire and recycling bags; pickup and disposal of household hazardous waste; and sorting mixed recyclables).

The essentials of the NRRA's marketing system are straightforward. On behalf of its members, the association puts out requests to buyers for bids on specific kinds of recyclables. A committee of members oversees each area of recyclables and selects the bid that most closely members' the needs and preferences. approximates municipalities are not bound to market their recyclables through the association, nor are buyers required to pay a prescribed price for them. Rather, the payment price for the recyclables fluctuates with the market. Buyers do agree, however, to purchase whatever volume of recyclables is made available by association members. This system works because municipalities are guaranteed a market for their recyclables based on the

bargaining power of the association. The buyers, in turn, are able to get large quantities of materials that meet their quality requirements.

The value of the association to its members goes far beyond the negotiation and monitoring of these contracts. When small municipalities first get involved in recycling, they generally know little about how to collect and sort materials. The association provides the necessary training. After 14 years of operation, there are now about 200 small communities in New England with staff and volunteers who are recycling experts. Since recycling is a rapidly changing business, NRRA continues to play the lead role in communicating to its members and associate members changes in recycling laws and regulations, technology and markets.

As Peg Boyles, NRRA market development manager, says, "Cooperative marketing of recyclables is a complex endeavor, but it works. It has created a powerful network of highly trained operators at the local level that would not be present in a privatized system. The commitment to marketing recyclables has spread to the general population of these communities. There are financial benefits, as well, because of the revenue from the recycling market and because of the local jobs created."

THE STATE OF LOCAL GOVERNMENT COOPERATION IN IOWA

Sue Lambertz heads up the Iowa Department of Economic Development's Government Services Sharing Program. The program provides seed money for groups of local governments to develop cooperative programs. In her previous job, Lambertz coordinated a 13-city collaborative project in the Altoona area of central Iowa that was funded by the program she now administers.

Lambertz estimates that the cities in the Altoona area saved \$100,000 in direct costs in the first year of their project through reduced insurance expenses, joint purchasing of safety equipment, joint publication of a safety policy manual, and other shared services and purchases.

The Government Service Sharing Program provides initial planning assistance and, if the local governments come up with a good plan, two-year grants for funding of an intergovernmental services coordinator. The municipalities are required to provide at least 25 percent in matching funds during the two-year period and to have a plan for full self-funding of the project after that time. The program has been in operation for three years and has provided assistance to 20 intergovernmental projects.

Projects receiving assistance thus far have included joint safety programs, shared mental health care services, collaborative agreements on fire protection and law enforcement, purchasing of insurance (as in the Altoona area communities), multicommunity planning projects and sharing of personnel (such as engineers and city clerks).

From the perspectives of both her local and her statewide work, Lambertz notes the energizing effect of getting a group of people together from neighboring communities to solve common local problems. "The process taps into local creativity," she says. "One community's need often matches another's resource." For example, a small town happened to own a vacant building that provided an ideal storage solution to a neighboring city's overflowing records problems.

Iowans are finding that a little bit of state assistance can go a long way to helping communities get untracked from their go-it-alone mindsets. The results have been impressive in terms of dollars saved, services improved and good will across municipal boundaries.

CONCLUSION

Cooperation works for local governments. It isn't just for farmers or consumers. When local public officials are able to put aside their differences with nearby units of government, good things happen. On the previous pages we have looked at a variety of different kinds of local government cooperatives that make purchases together, share services, sell recyclable materials and use interactive telecommunications as an educational resource. What these varied examples have in common is a group of public officials who have decided that they can meet the needs of local citizens and taxpayers more effectively by joining forces than by charging off on their own.

Despite these successful examples and dozens more like them, communities in the United States have barely scratched the surface of the potential for local government cooperation. This approach to shared services could be a powerful resource for rejuvenating urban and rural areas alike; for stimulating creative local solutions to economic and social problems; and for reclaiming a central role for decision-making by local governments and citizens in their own communities.

Some changes appear necessary for local government cooperation to blossom in the United States. State and federal government officials may need to devolve more decision-making power down to the local level. Following the example of Iowa, Minnesota, Pennsylvania and a few other states, more state and federal programs should provide incentives and rewards for intergovernmental cooperation. Most important of all, local government officials and community residents will need to change their views about neighboring communities so that they're perceived primarily as friends rather than as foes.

With these changes, local cooperation could play a lead role in improving the quality of life in small, medium and large cities and in the countryside. Whether the issue is education, police and fire protection, business and job development, housing, or any number of other issues, collaborative strategies work far better than feudalism.

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CONCLUSION

This book has presented examples of how cooperation works in 12 different areas of our society. We have shown how people and organizations have accomplished common ends through joining forces in a wide variety of ways. So, why isn't there more of this kind of joint action? This concluding chapter presents some strategic ideas for increasing the amount of cooperation in the United States as we approach the 21st century. First, let's review the reasons for cooperating.

- 1. People working in groups are generally far more effective at achieving their goals than people working in isolation.
- 2. Working in groups is usually energizing. It feels good to be part of a team.
- 3. In many cases, we can accomplish things working together that we cannot accomplish alone. Examples include joint purchasing, in which we are able to access goods and services at lower prices and/or of better quality by pooling our buying power. If we're trying to sell something, joint marketing often gets us access to buyers whom we would not be able to reach on our own. Selling jointly can make our marketing costs far lower by each of us not having to produce separate marketing materials and to make separate marketing contacts. Joint action can provide us with services that we would not otherwise have access to for example, a child care center, a food buying club, a health- care coop.
 - 4. Most importantly, cooperation works!

Our proposed strategy for increasing cooperative action at the person-to-person level consists of the following five components.

1. Think cooperatively. Behind every example of cooperation in this book is an individual or a group of individuals with an idea. We can change the way we go through our day-to-day lives simply by making it a habit to pose the question: Can this activity be done more cooperatively?

A friend of one of the authors who has been an attorney for the past 20 years recently decided to apply his legal skills in a new way. Instead of defending clients in divorce proceedings or in labor-management disputes, he has decided to focus his energies on mediating these disputes. This represents a radical shift in the traditional role of an attorney. Instead of being a hired gun, this friend is becoming a conflict resolver. He sees his job now as helping to identify areas of cooperation and compromise, rather than fostering competition and conflict.

We all can identify opportunities for increasing cooperation in our workplaces, our communities and in our families – if we keep our eyes open.

- 2. Believe that you can make a difference. All too often, we let things happen rather than make things happen. A common theme in the examples given throughout this book is that groups of people decided to make something happen. They believed they could make a difference by acting together and they did. Cooperative change has to involve the active involvement of everyday people. Unfortunately, too many people in our society are lulled into passive roles, believing that they can't do anything about what's going in their kids' schools, in their neighborhoods, and pretty much anywhere else. They decide that they're just along for the ride. This sense of impotence is a self-fulfilling prophecy. If we don't think we can change the world around us, we can't. If we do think we can change the world around us, we at least have a shot at it, especially if we join forces with other people in our attempt.
- 3. Pick a specific issue on which to cooperate. Cooperation is just an abstraction until we identify something to cooperate about. If we're going to make the world a more cooperative place, we need to do it one project at a time. Maybe there's something happening in your neighborhood that has become a bother to you and to others who live nearby. For example, a group of middle-school kids are hanging out when they should be in school, and you suspect them of some petty thievery and vandalism. Getting together with a group of neighbors to explore solutions to this problem is a cooperative activity, one which may lead to some constructive ideas about what to do with these budding iuvenile delinquents. Perhaps the neighborhood meeting, in turn, might lead to a cooperatively oriented project between the neighborhood and the school, in which curricular and extracurricular changes are made to help these kids develop a greater sense of purpose (for example, Common Wealth's middle-school business mentoring program). This project may become a model for other neighborhoods and schools in your community. And so on.
- 4. Plan carefully. Whether it's a neighborhood project or a multimillion dollar pasta cooperative, participatory planning is of key importance. Thinking strategically and studying the potential outcomes of the cooperative project multiply the likelihood of success. A good strategic plan asks: What is our goal? Do we have a group of people

who are committed to working toward the accomplishment of this goal? Realistically, what are our chances of success? Can we mobilize the necessary resources – both time and money – to launch this project? What are the specific steps we need to take in order to carry it out? Over what period of time?

5. Don't lose sight of the need for broad-based participation and support. Historically, this has been one the shortcomings of established cooperatives. After the involvement and enthusiasm of the first generation of cooperative members, all too often the cooperative comes to be operated just like other organizations that are not owned and controlled by their members. It's easy to slide into this type of insulated decision-making by a small group of people, usually a management group and a board of directors, and to have only nominal involvement with the broader membership. It takes a lot of work to have broad-based, ongoing participation over the long term. It also takes creativity. And this takes us back to the first point: Think cooperatively. A number of examples presented in this book illustrate creative ways in which participatory democracy can work on an ongoing basis to get things done.

APPENDIX: THE 100 LARGEST COOPERATIVES IN THE U.S.A.

Compiled by the National Cooperative Bank Revenue & Assests in Millions

Cooperative	Revenue.	Assets	Industry		
1 Farmland Industries	6,678	1,926	Agric.	Kansas City	МО
2 Harvest State Cooperative	3.845	734	Agric	St. Paul	MN
3 Wakefern Food Co-op.	3.741	616	SprMkt		NJ
4 Land O'Lakes Inc.	2 859	943	Agric.	Arden Hills	MN
5 Associated Wholesale	2.611	332	•	Kansas City	МО
Grocers	_,~		-		
6 Associated Milk Producers	2.587	528	Agric.	San Antonio	TX
7 Cotter & Co. (True Value)	2.574	869	Hw/Lbr		IL
8 Mid Am Dairymen	2,491	740	Agric.	Springfield(1)	MO
9 Roundy's Inc.	2,462	405		Pewaukee	WI
10 ACE Hardware Corp	2.326	725		Hinsdale	IL
11 Spartan Stores	2,189	373	SprMkt	Grand Rapids	MI
12 Cenex	2.183	1,200	Agric.	St. Paul	MN
13 Countrymark Co-op, Inc.	2.039	506	Agric,	Indianapolis	IN
14 Certified Grocers of	1.874	401	SprMkt	Los Angelos	CA
California Ltd.	•		'	•	
15 ServiStar Corp.	1,735	505	Hw/Lbr	Butler	PA
16 Agway, Inc.	1,694	1,274	Agric.	Dewitt	NY
17 Hardware Wholesalers, Inc.	1,564	405	Hw/Lbr	Ft. Wayne	IN
18 Gold Kist, Inc.	1,561	716	Agric.	Atlanta	GΑ
19 Lumberman's Merchandising	1,466	87	Hw/Lbr	Wayne	IN
Corp.				•	
20 Ag Processing, Inc.	1,377	504	Agric.	Omaha	ΝE
21 Ocean Spray	1,191	695	Agric.	Middleboro	MA
22 CF Industries, Inc.	1,182	1,113	Agric.	Lake Zurich	IL
23 Twin County Grocers	1,129	154	SprMkt	Edison	NJ
24 Agribank	1,129	15,646	\$Fin	St. Paul(4)	MN
25 Associated Grocers	1,106	269	SprMkt		WA
26 Healthpartners, Inc.	1,098	585	Health	Minneapolis(3)	MN
27 Oglethorpe Power Corp	1,065	6,418	Utility	Tucker	GA
28 U.S. Central Credit Union	1,036	18,680	\$Fin	Shawnee Mission	KS
29 Group Health of Puget Sound	1,013	640	Health	Seattle	WA
30 Shurfine International	994	37	SprMkt	Melrose Park	IL
31 Sunkist Growers, Inc.	967	229	Agric.	Van Nuys	CA
32 United Grocers	954	307	SprMkt		OR
33 S. States Cooperative	950	323	Agric.	Richmond	VA
34 Growmark, Inc.	884	439	Agric.	Bloomington	IL
35 Darigold Farms	878	906	Agric.	Seattle	WA
36 Co-Bank	937	13,863	\$Fin	Denver	CO

37	7 Tri-Valley Growers	821	802	Agric.	San Francisco	CA
	Associated Food Stores	809	170	SprMkt	Salt Lake City	UΤ
39	National Cooperative	797	211	Agric.	McPherson	KS
4-	Refinery Assn.					
40	Plains Cotton Co-op Assn	797	211	Agric.	Lubbock	TX
	Foremost Farms USA Co-op	779	188	Agric.	Baraboo(2)	WI
	Calcot Ltd.	775	177	Agric.	Bakersfield	CA
	California Milk Producers	774	110	Agric.	Artesia	CA
	Prairie Farms Dairy, Inc.	772	242	Agric.	Carlinville	IL
	Certified Grocers Midwest	699	132	SprMkt	Hodgkins	IL,
	Riceland Foods, Inc.	686	272	Agric.	Stuttgart	AR
	Dairymen, Inc.	677	154	Agric.	Louisville(1)	KY
48	N. C. Electric Membership	672	1,542	Utility	Rafeigh	NC
40	Copr.	607	405		- .	
	Dairyman's Co-op Creamery	637	125	Agric.	Tulare	CA
	Associated Wholesalers, Inc.		83	SprMkt		PA
	Navy Federal Credit Union	602	8,436	\$Fin	Merrifield	VA
	Atlantic Dairy Co-op	595	79	Agric.	Southampton	PA
53	Ag America Farm Credit	569	7,242	\$Fin	Spokane	WA
- 4	Bank	504				_
54	Western Corp. FCU	564	12,400	\$Fin	San Dimas	CA
	American Crystal Sugar	563	324	Agric.	Moorhead	MN
	Calif. Almond Growers	562	159	Agric.	Sacramento	CA
	Affiliated Foods	562	76	SprMkt		TX
58	Food Service Purchasing	528	43	Franc.	Louisville	KY
	Cooperative	504				
	MFA Incorporated	524	235	Agric.	Columbia	MO
-	MI Livestock Exchange	507	73	Agric.	E. Lansing	MI
	California Gold Dairy Prod.	500	71	Agric.	Petaluma	CA
	Associated Electric Co-op	486	1,487	Utility	Springfield	MO
	Seminote Electric Co-op	481	994	Utility	Tampa	FL
04	Farm Credit Bank of Columbia	477	6,308	\$Fin	Columbia(4)	SÇ
65	Affiliated Food Co-op	463	67	Cadda	Markelle	
	Equity Co-op Livestock Sales	461	.40	SprMkt	Norfolk	NE
	Staple Cotton Co-op Assn	453	67	Agric.	Baraboo	WE
	URM Stores	447	114	Agric. SprMkt	Greenwood Spokane	MS WA
	Western Dairymen Co-op	443	88	Agric.	Denver	CO
	Affiliated Foods Southwest	441	92	SprMkt	Little Rock	AR
	SF Services, Inc.	439	160	Agric.	N. Little Rock	AR
	Tri-State G&T Assn	438	1,290	Utility	Denver	co
	Recreational Equipment Inc	432	207	Recre.	Sumner	WA
	Basin Electric Power Co-op	431	2,378	Utility	Bismarck	ND
	Western Farm Credit Bank	430	5,239	\$Fin	Sacramento(4)	CA
	National Grape Co-op Assn	424	297	Agric.	Westfield	NY
	Michigan Milk Producers	418	95	Agric.	Nori	MI
78	Agri-Mark, inc.	413	99	Agric.	Methuen	MA
79	Central Grocers Co-op	412	66	SprMkt	Franklin Park	IL
	Dairylea Co-op, Inc.	409	44	Agric.	E. Syracuse	NY
81	Cajun Electric Power Co-op	380	2,136	Utility	Baton Rouge	LA
82	Piggly Wiggly Alabama	372	54	SprMkt	Bessemer	AL
83	Associated Press	371	221	Media	New York	NY
84	Md & Va Milk Producers, Inc.	363	57	Agric.	Reston	VA
85	Progressive Affiliated	356	28	Hw/Lbr	Grand Rapids	MI
	Lumbermen				•	
86	Tennessee Farmers Co-op	352	99	Agric.	La Vergne	TN
					-	

87 Farm Credit Bank of Texas	340	4,273	\$Fin	Austin(4)	TX
88 Old Dominion Electric Co-op	337	1,074	Utility	Richmond	VA
89 E. Kentucky Power Co-op	330	798	Utility	Winchester	KY
90 United Dairymen of AZ	325	36	Agric.	Tempe	ΑZ
91 CFC (NRUCFC)	325	6,224	\$Fin	Herndon	VA
92 Milk Marketing Inc.	318	81	Agric.	Cleveland	ОН
93 Allied Building Stores	317	22	Hw/Lbr	Monroe	LA
94 Big Rivers Electric Corp	316	1,132	Utility	Henderson	KY
95 Citrus World Inc.	308	176	Agric.	Lake Wales	FL
96 Associated Grocers	303	869	SprMkt	Baton Rouge	LA
97 Farm Credit Bank of Wichita	302	4,156	\$Fin	Wichita(4)	KS
98 Central Electric Power Co-op	297	138	Utility	Columbia	SC
99 Corp. for Public	294	125	Media	Washington	DC
Broadcasting					
100 Arkansas Electric Co-op	293	810	Utility	Little Rock	AR
Total-In Millions	97,666	149,501			

⁽¹⁾ Dairymen, Inc. of Louisville merged with Mid-America Dairymen, Springfield, MO in September, 1994.

⁽²⁾ Foremost Farms USA Cooperative is new name of Wisconsin Dairies Cooperative which merged with Golden Guernsey Cooperative, 1994.

⁽³⁾ Healthpartners data are consolidated for all operations.

⁽⁴⁾ Data revised in restructuring and consolidations within Farm Credit Banks.

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