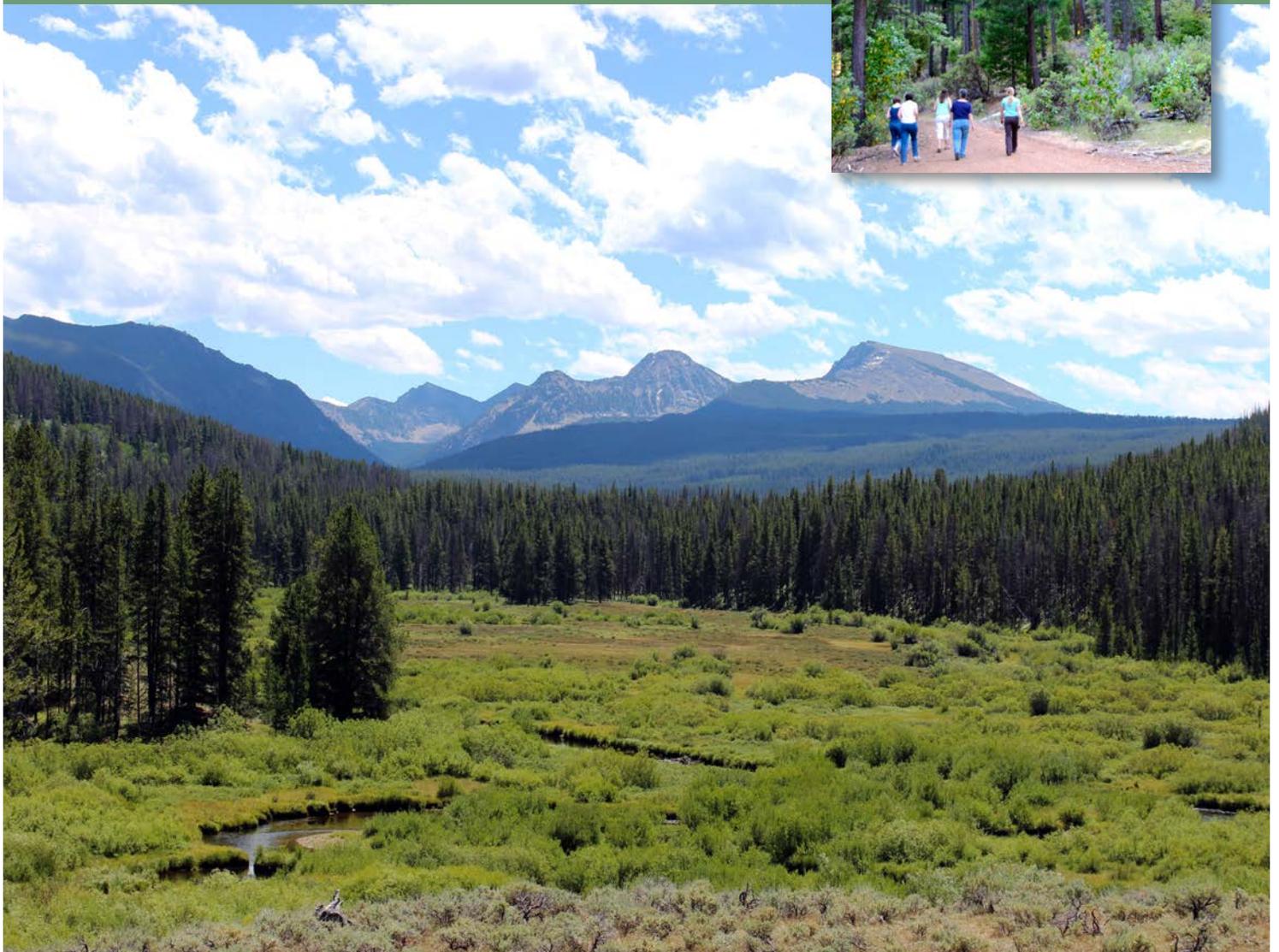


Economic Development and Public Lands: The Roles of Community-Based Organizations

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Executive summary

The purpose of this paper is to examine the business assistance and economic development activities that community-based organizations (CBOs) undertake in rural public lands contexts in the U.S. West. We conducted three in-depth case studies of CBOs in Washington, Oregon, and California and a survey of 63 CBOs across the West.

We found that CBOs work to improve the environment for businesses through efforts to positively influence the operating environment at the local scale. Whereas other entities may focus more on assisting individual businesses, CBOs tend to fill critical gaps at the community scale and help to build the physical and social infrastructure for sustainable natural resource-based economic development. On average, CBOs dedicate about a fifth of their time to economic development activities. Most commonly, these are economic development planning and workforce development activities, though

some organizations also establish business incubators or directly invest in physical infrastructure as a way of encouraging local economic development. CBOs also strive to foster a better business environment by supporting social agreement through collaboration and providing analysis services that could increase the supply and improve the timeliness of federal timber sale and restoration contract opportunities. Many CBOs assist with grantwriting, administration, and connection of diverse actors to facilitate economic development activities.

We found that CBOs also assist businesses directly, although this is less common than their higher-scale activities. The most common recipients of direct CBO business assistance are restoration contracting and data collection businesses. The role of CBOs in directly initiating private sector businesses, particularly based on biomass utilization, may be less well understood in their communities.



Many rural communities across the U.S. West are adjacent to publicly owned lands managed by federal government agencies such as the U.S. Forest Service and Bureau of Land Management. The presence of federal agencies as major landowners means that federal policy changes can greatly affect these communities' economic and business prospects. From the late 1980s through the early 2000s in particular, forest industry restructuring and federal forest policy changes led to reductions in both federal timber harvests and timber industry employment in many places.¹ These policy changes refocused public forestland management toward ecosystem management, endangered species protection, and wildfire risk reduction. Contractions in traditional forest products manufacturing occurred, even while some businesses and workers attempted to build economic opportunity on the basis of emerging restoration and stewardship needs.² This included an array of forest and watershed restoration activities, hazardous fuels reduction, and creative utilization of smaller-diameter forest products (including for biomass energy).

Community-based organizations (CBOs) have emerged in many traditionally resource-dependent rural communities to help communities cope with

recent policy and economic transitions. We define CBOs as nonprofit organizations located in rural areas that conduct practical work on both economic development and natural resource management (see text box on page 3). Our research identified as many as 117 CBOs active in the 11 western U.S. states. We focused on CBOs as they are somewhat unique to both the public lands management and economic development contexts. Public lands management traditionally took place through contracting arrangements between government agencies and private sector businesses, but these arrangements were upended by sudden changes in land management activities, agency staff limitations, and the decline of rural processing infrastructure since the late 1980s. Economic development in the rural West typically involved government agencies and local economic development districts, corporations, or similar entities, but these entities were generally not set up to work across scales on socially contentious land management issues. As flexible and adaptive nonprofit organizations, CBOs attempt to bridge and serve both natural resource management and economic development needs in specific rural areas through a variety of practical activities. We examine the organization, activities, and other characteristics of CBOs in other publications.³

Our previous research suggests that CBOs perform an array of natural resource management and economic development tasks in their local communities. Specifically, in doing so CBOs have a unique focus on changing the larger institutional environment within which economic development occurs. They may work to change government practices, programs, and policies, for example, to create better operating conditions for natural resource businesses. The purpose of this paper is to further examine the specific activities that CBOs undertake to support economic development in rural public lands contexts in the U.S. West. We address the following questions:

- What kinds of economic development and business assistance do CBOs perform?
- What types of businesses do CBOs assist?
- What are the advantages and challenges of the CBO approach to economic development and business assistance?

Approach

Between 2012-2016, we conducted three in-depth case studies of CBOs in Washington, Oregon, and California and a survey of CBO directors and leaders across the West (See Table 1, below, for summary of research components, and Appendix, page 10,

What are CBOs?

A variety of definitions for CBOs exist in the academic literature. For our purposes here, we define CBOs as:

- Non-profit organizations
- Based in rural areas
- That conduct practical work on both rural economic development and natural resource stewardship.

This definition distinguishes CBOs from other organizations that do not share all of these characteristics, such as governmental agencies, ad-hoc working groups, economic development districts, agricultural marketing boards, groups that primarily engage in environmental conservation without working on rural development, or organizations that work on rural issues but are based in urban areas.

for in-depth methods for each component). Survey data provide a larger sense of trends in CBO activities, while case study data provide more detail and insight into specific examples.

Table 1 Research components used in this paper

Study component	Methods used	Study participants	Geographic coverage	What the study provides
Individual CBO case studies	<ul style="list-style-type: none"> ▪ Qualitative interviews with each CBO and their local partners conducted in person ▪ Collection of information on their networks ▪ Document analysis 	<p>Mt. Adams Resource Stewards: 17 interviews</p> <p>Wallowa Resources: 16 interviews</p> <p>Watershed Research and Training Center: 21 interviews</p>	<ul style="list-style-type: none"> ▪ Vicinity of Glenwood, Washington (Mt. Adams Resource Stewards) ▪ Wallowa County, Oregon (Wallowa Resources) ▪ Vicinity of Hayfork, California (Watershed Research and Training Center) 	Specific examples and details of CBO engagement in economic development activities in the context of their respective communities.
Survey of CBOs	Telephone-administered survey about CBO organizational characteristics and activities	63 (53.8% response rate)	Alaska, Arizona, California, Colorado, Idaho, Montana, New Mexico, Oregon, Washington, Wyoming	Broader view of common CBO structures, activities, and perceptions of challenges in their communities



CBOs' economic development and business support activities

Survey results

Our survey was designed to find out how common it is for CBOs to engage in various economic development and business support activities. Our survey list of activities was derived from activities observed in the CBO case studies. Overall, surveyed CBOs reported having dedicated an average of 19 percent of their total organizational effort to economic development activities (although many mentioned that the natural resource stewardship activities to which they dedicated the majority of their time were inextricable from economic development). Specifically, 79 percent of surveyed CBOs had engaged in formal economic development planning, such as participating in a county economic development plan (see Figure 1, page 5). Formal planning is a common activity of traditional economic development entities such as economic

development districts or corporations, and we did not necessarily expect to find CBOs engaged to this extent as this was not a major activity in our case study research. It is not known if CBOs generally conduct economic development planning in partnership with these types of traditional entities or if they fill gaps where no such entities are present or active. CBOs may contribute unique resources or advantages to such processes due to being a non-profit organization, having a broad mission, or being small and flexible. Forty-eight percent of surveyed CBOs reported having engaged in workforce training. This activity was important to two of our case study CBOs as well; we discuss workforce training in greater detail below under Case Study Results.

Forty-one percent of survey respondents reported providing business planning services, while 34 percent provided business incubation. Although these business support activities were not as common as economic development planning and workforce

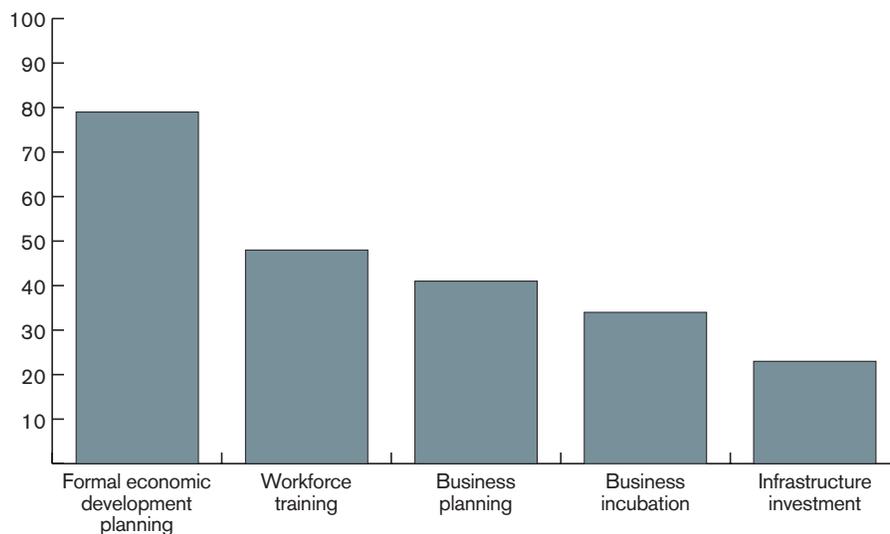
training, this still points to a perceived need in some communities to support or even create local businesses. Business incubation (focused on small diameter or biomass-focused businesses) was a key activity in all three of our case study CBOs. The need to incubate businesses may depend on the community's location, surrounding forest products markets and infrastructure, availability of willing local entrepreneurs, and philosophy of the CBO toward engaging in the private sector more directly. In our case studies, business incubation was considered important because there was no local business active in small diameter timber or biomass utilization.

Less than one-quarter of surveyed CBOs indicated that they had invested directly in infrastructure (such as buildings or equipment). However, all three of our case study CBOs had done this as part of their business incubation activities. Acquiring infrastructure may indicate that a CBO is willing to take risks and make tangible investments or that they have been able to access funds that may not have been readily available to private businesses. Each of our case study CBOs utilized existing mill or industrial sites, but given the somewhat novel nature of the biomass utilization businesses they

were attempting to incubate, investment in new equipment was typically necessary.

Finally, our survey also revealed that CBO leaders viewed their natural resource management activities as tightly intertwined with their economic and business activities, and that the CBOs' natural resource management activities were in part intended to help support outcomes such as an increased supply of work for businesses. Nearly all of our surveyed CBOs reported participation in and leading of collaborative efforts, and a strong majority also reported having conducted the kinds of environmental analyses (including monitoring) normally completed by government agencies. Through these kinds of activities, our case study CBOs worked to build social agreement about management and helped to accelerate analysis so as to provide greater stability and predictability in restoration work and in the generation of restoration byproducts. Many surveyed CBOs also reporting having worked to change the larger institutional environment for linked resource stewardship and rural economic development. Over 90 percent of surveyed CBOs said that they had piloted new approaches to resource management, and 75 percent had engaged in policy networking at some combination of local, state, regional, or national scales.

Figure 1 Percentage of respondent CBOs that engaged in various economic development activities in the past 3 years



Case study results

We explored CBOs' economic and business assistance activities in greater detail in our case studies. Although they operated in diverse social and economic contexts, the three studied CBOs all worked to foster a sustainable natural resource-based economy through a variety of activities at multiple scales (see text box at right). Workforce training was an important activity in two of our case studies (Wallowa Resources and Watershed Research and Training Center), as it was for nearly half of surveyed CBOs. The goal of workforce training for our case study CBOs was to retrain former forest industry workers and train new workers to adapt to the types of opportunities that the Forest Service offered in their area, including ecosystem restoration and fuels reduction projects. Common stewardship activities for which CBOs provided workforce training include data collection, noxious weed treatments, tree planting, and thinning small trees. In the case of the Hayfork, California-based Watershed Research and Training Center, the original goal was to train workers who would then be employed by local businesses, but few to no local businesses were active and in need of such workers. In response, the CBO transitioned to directly employing youth and adult crews to perform a range of thinning and prescribed fire projects on both public and private lands. This suggests that workforce training alone may not address the challenges that some communities have faced in adapting to a new restoration economy, and that a dearth of local business capacity can hinder rural development in traditionally resource-dependent communities.

We also found that our case study CBOs worked to align the structure of federal land stewardship and timber contracts with local business capacities. For instance, Wallowa Resources conducted a workforce assessment to better understand their local businesses. They then sought to increase local businesses' access to restoration and biomass harvest opportunities by entering into a contract with the nearby national forest and then subcontracting that work to local businesses. This meant that the CBO absorbed some of the financial risk of federal contracting in order to provide local business access to contracts. We also observed all three case

study CBOs taking on risk by investing in processing infrastructure where no local businesses were able or willing to do so.

CBO economic development and business assistance activities observed in three case studies

- ***Incubating small diameter wood utilization/ biomass businesses***
 - Conducting economic and feasibility analyses
 - Testing technologies and systems
 - Acquiring sites and equipment
 - Raising capital
 - Absorbing risk for new businesses
 - Using networks to connect to urban markets and certification
 - Creating for-profit subsidiaries of the CBOs
- ***Working to align public lands restoration contracts and timber sales with local business capacity***
 - Conducting workforce assessment
 - Using inclusive research, planning, and deliberation processes to build social agreement and reduce the risk of legal challenges to management activities
 - Contracting with the Forest Service and sub-contracting to local contractors
 - Purchasing timber sales and selling to local businesses
 - Conducting analysis and administration activities to fill in for missing government agency capacity
- ***Accessing and administering resources***
 - Attracting grants and other resources not available to government or private sector entities
 - Providing direct assistance and contracting opportunities to individual businesses
- ***Instituting innovation***
 - Piloting new planning and management approaches at the local scale and bringing successful models to the national scale

Types of businesses that CBOs engage

Although much of CBOs' economic development work focuses on improving the broader operating environment for rural business development, at least some CBOs also provide direct support to individual businesses by, for example, contracting work to them, helping them connect to new opportunities, advising on business development, or through other means. We asked questions about direct businesses assistance in our survey of CBOs. Overall, 24 percent of CBOs said that they had assisted between one and five businesses, 30 percent had assisted six to ten businesses, 10 percent had assisted 11 to 20 businesses, and 24 percent had assisted more than 20 businesses in the previous three years. Only 13 percent of respondents said that their organization had not directly assisted any businesses in the past three years. Factors that may influence the number of businesses directly assisted include not only the capacity of a given CBO but also the different forms of assistance and how intensive they are, as well as the quantity and interest of businesses in a CBO's area. For example, incubation or in-depth support of business development may involve one or two businesses in an intensive relationship, while host-

ing a single workshop or website for assistance may reach a larger number of businesses with less time investment.

Our survey also asked about the types of businesses CBOs had assisted (see Table 2, below). Restoration contractors were the most commonly assisted type, with over three-quarters of surveyed CBOs assisting them directly. The majority of CBOs also assisted numerous other types of businesses: research/data collection contractors, small logging businesses, livestock producers, and large logging businesses. Assistance to sawmills and biomass facilities was somewhat less common. CBOs are typically more active in assisting "in woods" businesses than working with processing facilities. This may suggest that contracting or logging businesses need assistance more than processing facilities, are more amenable to seeking assistance and partnering with a nonprofit organization, or that there are simply more of these types of businesses in rural communities. Interestingly, a majority of surveyed CBOs had also directly assisted livestock producers, but less than 10 percent had provided assistance to animal processing facilities.

Table 2 Percent of CBOs that provided direct assistance in the past 3 years to 8 common types of rural natural resource businesses

Business Type	Percent of CBOs that assisted business type
Restoration contractors	78
Research / data collection contractors	73
Small logging businesses (1-2 employees)	58
Livestock producers	57
Large logging businesses (3 or more employees)	53
Sawmills	42
Biomass facilities	31
Animal processors (slaughterhouses)	9

Opportunities and challenges for CBOs working in economic development

Finally, we also sought to identify specific opportunities or challenges that CBOs may face in their economic development work. In each case study, we found several potential advantages of the CBO model. First, partners described how the nonprofit status of CBOs helps them access resources for local development (e.g., grants and other opportunities) that are not always available to government agencies or private sector businesses. CBOs in some cases may acquire grants, and partner organizations benefit when they work together with CBOs. Second, CBOs were seen as skilled grantwriters and administrators, and as small nonprofits they were also perceived to have more flexibility in how they administer projects and funding. This flexibility was seen as a positive attribute, particularly in two cases where the CBOs acquired contracts for restoration work from the Forest Service and then subcontracted the implementation to give opportunities to local contractors. Finally, partners also pointed out that CBOs may be able to “reach a broader spectrum of people” than traditional public or private sector actors, and that they are better positioned to incorporate and represent that range of interests in their projects and work. Several interviewees described the case study CBOs as “bridgers” or “mediators” that helped represent local economic needs and challenges to outside funders, elected officials, policymakers, and oth-

ers. Across cases, the most appreciated roles of each CBO seemed to be its ability to attract and manage resources in a flexible way, as well as its work fostering collaboration and bringing more diverse interests to bear on everyone’s work.

However, interviewees across cases also expressed that their respective CBOs’ activities with small-diameter processing businesses were not consistently well-understood or supported in their communities. This challenge was expressed in multiple ways, including confusion about or dislike of a nonprofit entity working in a private sector role and a belief that the CBOs and the businesses they were supporting were grant-reliant and therefore not sustainable. Interviewees in two cases indicated concern about CBOs competing with local loggers and area mills. Some interviewees also felt that they did not have adequate information and communication about these small-diameter efforts and did not understand them very well. Finally, numerous interviewees in each case expressed skepticism about the outlook for small-diameter biomass utilization in general, noting supply and market barriers that they thought might be insurmountable. Overall, it appears that CBOs’ activities with small-diameter processing and their direct investment in these businesses were not as well understood or supported as some of their other roles where they more clearly conducted grantwriting, planning, or facilitation. Some respondents also felt that their CBOs’ policy networking activities were taking away from local, practical work.





Conclusions

The combined case study and survey approaches revealed the variety of activities that CBOs perform in order to build an environment that supports sustainable natural resource-based economic development. Our survey research found that their most common economic development and business assistance activities were formal economic development planning and workforce development. Substantial minorities of CBOs surveyed also provide business planning or incubation services. The larger-scale planning and development activities may help CBOs and others better create or support an environment conducive to natural resource businesses even when they are not directly assisting them. Our survey and case study work demonstrated that many CBOs work to foster a better business environment by participating in or leading collaborative management efforts that could yield local timber sales, restoration contracts, and other economic activity accessible to local businesses. Many also engage in local innovation and larger-scale policy

networking designed to reform some of the institutional barriers to successful rural economic development and natural resource stewardship.

It is likely that economic development and business success in a public lands management context requires a range of actors providing different yet complementary actions. As one of these actors, CBOs work on changing the overall environment in which businesses operate. They do so by collaborating with others, bringing in new resources, reducing risk for entrepreneurs, and advocating for program and policy changes to better meet the needs of rural communities. While other entities provide businesses with operational level assistance with immediate financing and financial needs, CBOs seek to establish better conditions and opportunities for businesses to participate in public lands management. The variety of CBO activities in their respective communities reflects the diversity of specific needs and challenges, with CBOs often filling in for missing business or governmental capacity while working to rebuild that capacity from the ground up.

Appendix: Details of research components

Case studies

In this paper, we discussed the results from three case studies conducted between 2012 and 2016 on the Watershed Research and Training Center (Hayfork, California), Wallowa Resources (Enterprise, Oregon), and Mt. Adams Resource Stewards (Glenwood, Washington). These three CBOs, along with a study of the Elk City, Idaho-based Framing Our Community (not reported here due to data quality issues), were selected for case studies as they are prominent examples of CBOs in the West and allowed for critical case analysis. We conducted qualitative, semi-structured interviews with the staff of each CBO and with their area partners between July–November 2012. Follow-up interviews with CBO staff to gather more current information were conducted by telephone in 2015 and 2016. Interviews were transcribed verbatim and then coded using the qualitative analysis software program NVivo. A range of analyses looking at CBO organization, activities, and networks were performed for this paper and other publications.

CBO survey

The lack of official criteria for defining CBOs, and the lack of a central database listing them, makes surveying CBOs challenging. To conduct this survey, we created a database of non-profit organizations in the 11 western states plus Alaska that appeared to have the potential to meet our definition of a CBO. The resulting database may not have been included all existing CBOs, but represented the results of an exhaustive search. To build the database, we started with an initial database of known CBOs drawn from meeting attendance lists and participation in the Rural Voices for Conservation Coalition (a network of CBOs, conservation organizations, and regional and national community forestry organizations). We then added to the database by searching state nonprofit lists for key terms such as “stewardship,” “conservation,” “watershed,” “landscape,” and “rural.” The result was a database of 381

organizations that appeared to have the potential to be CBOs.

We then conducted web research to determine the mission, nonprofit status, and contact information for each organization, filtering out those that were not based in rural areas, not a nonprofit, or did not appear to include both rural development and natural resource stewardship in their activities. We also excluded organizations whose primary focus was offshore fisheries. We tried to contact all of the remaining 204 organizations by telephone to schedule a survey; our survey began with screening questions that would help determine whether the organization met our criteria as a CBO (see text box with our criteria on page 3 of this report). Of these 204 organizations, 87 did not pass the screening criteria and 54 declined to participate or did not respond after three emails and two telephone calls (see Table A1, page 11). The total number of usable surveys was 63, representing 53.8 percent of organizations that passed our screening questions, declined to participate in the survey, or did not respond to repeated attempts to make contact. All surveys were administered via telephone by trained student workers with faculty oversight, with the exception of the first four surveys which were administered directly by faculty members. The survey generally lasted between 30 minutes and one hour. The web-based survey management program Qualtrics was used for data entry and retrieval.

The survey included two main parts: the first was a series of questions on organizational history, structure, funding, and program activities and the second included questions on the organization’s use of social networks to achieve its goals. In this paper we focus on results from the first part only; results from the second part will be published separately. We analyzed all results reported in this document using IBM SPSS Statistics version 23. See Working Paper 67 for more results from this survey.³

Table A1 State-level descriptive statistics for the CBO survey sample

State	Organizations attempted to contact	Organizations that screened out	Completed surveys	Response rate
Alaska	19	14	5	100.0%
Arizona	10	1	5	55.6%
California	29	8	8	38.1%
Colorado	23	9	7	50.0%
Idaho	10	3	3	42.9%
Montana	24	7	5	29.4%
New Mexico	10	6	2	50.0%
Nevada	3	2	0	0%
Oregon	51	26	20	80.0%
Utah	2	2	0	N/A
Washington	16	6	5	50.0%
Wyoming	7	3	3	75.0%
TOTAL	204	87	63	53.8%

Ecosystem Workforce Program Publications on Community-Based Organizations:

This is one of several EWP publications profiling and detailing the work of CBOs. Other relevant working papers include:

Abrams, J., E.J. Davis, A. Ellison, C. Moseley, and B. Nowell. 2016. "Community-based organizations in the U.S. West: Status, structure, and activities." Ecosystem Workforce Program Working Paper #67. Summer 2016. University of Oregon. Available at: http://ewp.uoregon.edu/sites/ewp.uoregon.edu/files/WP_67.pdf.

Davis, E.J. 2014. "Stewarding forests and communities: The final report of the Dry Forest Zone Project." Ecosystem Workforce Program Working Paper #48. Spring 2014, University of Oregon. Available at: http://ewp.uoregon.edu/sites/ewp.uoregon.edu/files/WP_48.pdf.

Davis, E.J., C. Moseley, C. Evers, K. MacFarland, M. Nielsen-Pincus, A. Pomeroy, and M.J. Enzer. 2012. "Community-based natural resource management in Oregon: A profile of organizational capacity." Ecosystem Workforce Program Working Paper #39.

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Davis, E.J. and C. Moseley. 2012. "The social and livelihood benefits of USDA Forest Service agreements with community-based organizations." Ecosystem Workforce Program Working Paper #38. Spring 2012, University of Oregon. Available at: http://ewp.uoregon.edu/sites/ewp.uoregon.edu/files/WP_38.pdf.

Moseley, C., K. MacFarland, M. Nielsen-Pincus, K. Grimm, A. Pomeroy, and M.J. Enzer. 2011. "Community-based natural resource management in the western United States: A pilot study of capacity." Ecosystem Workforce Program Working Paper #27. Spring 2011, University of Oregon. Available at: http://ewp.uoregon.edu/sites/ewp.uoregon.edu/files/WP_27.pdf.

Also see the following peer-reviewed publication:

Abrams, J., E.J. Davis, and C. Moseley. 2015. Community-based organizations and institutional work in the remote rural West. *Review of Policy Research* 32(6): 675-698.

Endnotes

- 1 Charnley, S., E.M. Donoghue, and C. Moseley. 2008. Forest management policy and community well-being in the Pacific Northwest. *Journal of Forestry* 106(8): 440–447.
- 2 Sturtevant, V.E. and E.M. Donoghue. 2008. Community and forest connections: continuity and change. Pp. 3-24 in E.M. Donoghue and V.E. Sturtevant (eds.) *Forest Community Connections: Implications for Research, Management, and Governance*. Washington, D.C.: Resources for the Future
- 3 See other EWP publications profiling and detailing the work of CBOs, listed on page 11.

