

A Sociological Analysis of Chronic Poverty within the Appalachian Region

by

Wade Barton Bestler

Honors Thesis

Appalachian State University

Submitted to the Honors College
in partial fulfillment of the requirements for the degree of

Bachelor of Science

May, 2019

Approved by:

Bradley Nash, Ph.D., Thesis Director

Brandy Hadley, Ph.D., Second Reader

Jefford Vahlbusch, Ph.D., Dean, The Honors College

Abstract

The Appalachian region holds immense historical value and has been an area of vast natural resources since the formation of the United States. The Appalachian region has also been commonly associated with crippling poverty and negative stereotypes for hundreds of years. It is important to examine the historical context of the region in an attempt to understand what could cause devastating poverty, while at the same time providing immense profits to outside corporate interests. This paper examines the social, political and economic causes of the chronic poverty found within the region. Different theories of poverty and the history of the political and economic discourse of the area will be examined in an attempt to explain how the internal socioeconomic conditions of the region could lead to the creation of chronic poverty.

Table of Contents

Introduction:	4
Sociological Views of Poverty	6
Current Demographic and Economic Landscape of Appalachia	6
What is Poverty?	8
Explanations of Poverty	11
Early History of the Region	15
The Scots-Irish Immigration	15
Economic and Political Effects of the Civil War	16
Perceptions of Appalachia	18
Absentee Landowners	20
The Industrialization of Appalachia	21
Beginnings of the Timber Industry	21
The Establishment of Corporate Coal	22
The Construction of Company Towns	25
Post-Depression Appalachia	27
Politics and Poverty	28
War Time Revitalization	28
Return and Migration	32
Federal Disruption and the War on Poverty	37
Establishment of the ARC and Growth Theory	40
The Business of Poverty	44
Ethical Violations of Corporate Powers	44
Environmental Effects of Big Business	48
Conclusion	52
Current Issues in Appalachia	52
Final Thoughts	55
References	58

Introduction:

The Appalachian region is an area of immense beauty and rich history. It served as one of America's first frontiers and paved the way for an influx of adventure seeking immigrants looking to make it on their own. The frontier of the Appalachian Mountains proved to be tough and inhospitable at times, but the determination of the Appalachian settler overcame these obstacles and produced the region as we know it today. The region proved to be a land rich in resources, which the rest of the country quickly took notice of. Before the 20th century the stories of Appalachia were commonly those of violence and fear, warning the American public of the inhabitants that dwell within. Many of these stereotypes were a product of the rapid industrialization and the introduction of color writers into the area. Color writers were individuals who visited the region and wrote about the people within, often using stereotypes and other negative imagery to create an image of the region in the rest of America's mind. Focus on the area by mass media quickly followed and an unprecedented wave of violence in 1880's Appalachia provided backing to many of the stereotypes that were being produced by color writers and newspapers. One of the first stereotypes to emerge from the region is "the characterization of Appalachian as more savage, degraded and lawless than other Americans or even other southerners." (Waller, 356)

The history behind this will be further discussed in detail, but it is important to set the precedent that capitalist interests were more than willing to put profits before the people of the region. When an area such as Appalachia has historical relevance

dating back to the founding of this country and an immense amount of natural resources, the average citizen might think that the area and its citizens should have had positive socio economic growth after years of corporate and political development of the region. The reality couldn't be further from this.

My mother's side of the family draws their roots from western Virginia an area that is found within the heart of Appalachia, I was able to directly see the impact corporations had on the area not just economically but socially. Areas that neighbored huge business operations were filled with dilapidated houses and downtrodden individuals. Seeing the economic degradation many people in the area were dealing with at a young age sparked a lifelong interest in how certain areas of our country seemed to be more marked by poverty than others. While I didn't question why the people I was seeing at the time were living the way they were, it sparked a long-term catalyst that when combined with context and information, built the motivation I needed to focus my thesis research on an issue that is often swept under the rug. Poverty is a worldwide problem and it is hard to draw universal conclusions on what causes it and how to end it. When choosing to focus my research on chronic poverty within the Appalachian region, I wanted to analyze the impact corporations and our federal government have had on the region and how much is truly to blame on the decisions they made. The goal of my research was to identify the forces that were responsible for the creation of chronic poverty in the region, while also attempting to decide which theory of poverty best applies to the conditions found in Appalachia. It is easy to immediately blame the government and large corporations for the historical and current day issues Appalachia faces, but I

thought it was also important to analyze the people and history of the area as well. Analyzing both allowed me to uncover systemic issues found not only within government regulations and corporate decisions, but the culture of the Appalachian people themselves. Throughout this paper I hope to analyze and report on the history of the region, while deciphering how a region with such a rich history and vast natural wealth could be home to a group of people who have been economically and socially abused for over on hundred years.

Sociological Views of Poverty

Current Demographic and Economic Landscape of Appalachia

The Appalachian Regional Commission was formed in 1965 with the purpose of improving social and economic conditions within the region. This organization will be discussed later, but it is important to note that the current information was obtained through the data compiled through the commission's 2012 through 2016 survey of the area. (ARC, 2018) At the time of this report, 25.6 million people lived within the Appalachian region with a population growth rate of one percent over the last six years. Though much of the region saw population loss since 2010, Southern Appalachia has seen a 4.7 percent increase during the same period. Minorities make up a significantly smaller portion of the Appalachian demographic landscape compared to the rest of the country, though the region has seen a roughly two percent increase in the minority population over the last six years. For comparison, minorities make up 38.7 percent of the United States population while making up 18.2 percent of Appalachia's population.

Overall the region has seen positive trends when analyzing the education levels of the populous. 85.9 percent of Appalachian adults have earned a high school diploma with 8.3 percent of these individuals going on to obtain an associate's degree and 23.2 percent obtaining a bachelor's degree. "Even with the improvements cited above, however, it is important to note that regardless of age, the prevalence of four-year college completion among adult's remains well below the U.S. average in many parts of the Region. For example, the percentage of persons ages 25 and over with a bachelor's degree or more was at least 10 percentage points below the national share in the Appalachian sections of six states (Kentucky, Maryland, Mississippi, Ohio, Virginia and West Virginia)." (ARC, 67)

Labor force participation in the region was around five percent lower than the national average. The region saw a 72.7 percent participation rate from individuals aged twenty-five to sixty-four. While the average is lower than the national rate, the scarcity of non-physically demanding jobs in the region may have something to do with this differential. The unemployment rate of the region was on par with the national average, but a larger percentage of Appalachian people work outside of the county they live in. The Appalachian region saw 31.5 percent of its workforce leaving their home county to commute to their workplace.

The average household income of a family in Appalachia is 80 percent of the U.S. average, while the region also sees a higher poverty rate than the national average. 23.6 percent of Appalachian children live below the poverty level along with 9.4 percent of adults living in impoverished conditions. The national average for poverty rate by age group shows 21.2 percent of children living in poverty and 9.3

percent of adults living in poverty. (ARC) After adjusting for inflation the income trends seen in the 2007-2011 and 2012-2016 periods were mixed. Some income measures were increasing while other income measures had fallen over the time of the survey. Poverty had increased in almost all age groups besides residents sixty-five and older who saw their poverty rate decrease by one percent. “Overall, the income and poverty trends in the Appalachian Region since 2007-2011 suggest that, for the most part, poverty levels have continued to rise, while median household and median family income have declined, highlighting the slow recovery from the 2007-2009 recession.” (ARC, 108)

What is Poverty?

When discussing poverty it is important to define what poverty actually is. The United Nations observes that poverty is defined in either relative or absolute terms. The World Bank Organization states that “Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time.” (WBO, 2009) While there are groups of people that fit into both of these categories within the Appalachian region, the focus of this research will be based on the phenomenon of chronic poverty. This form of poverty is recognized when “Chronically poor people experience deprivation over many years, often over their entire lives, and frequently pass poverty on to their children. This distinguishes chronic poverty from transitory poverty – where people move in and out of poverty or only occasionally fall below the poverty line.” (Punton, 2015).

To help clarify this issue, poverty can be conceptualized in three different ways absolute, relative and official. Absolute poverty is the less complicated way of conceptualizing the issue. Individuals are found to be living in a state of absolute poverty when their household income is below a level that in turn makes it impossible for the individual or family to meet the basic needs of life. In an absolute sense, poverty is simply a socioeconomic condition in which people are unable to meet their fundamental human needs. (Marger, 147) In a state of absolute poverty, even if a country is showing positive economic growth. It will not have an effect on the populous living below the poverty line. This form of poverty compares households on a set income level and this level will vary depending on a countries economic conditions. (HFH) "Subsistence or absolute poverty implies that there is a fixed basic minimum income below which physiological efficiency cannot be maintained." (Walker & Walker, 1995) Defining poverty as an absolute standard is not a simple task. What constitutes the basic needs of life? In modern developed countries could access to telephone, car or basic healthcare constitute a fundamental need? If you asked the same question as in a less developed country, these fundamental needs could be more focused on the essential necessities needed to live such as food and clean drinking water. Absolute poverty compares individuals on based income and this income level can vary from country to country.

"Poverty, therefore, is more rationally defined in relative term—relative, that is, to the standards and expectations of people in a particular society at a particular time." (Marger, 148) Relative poverty is the condition in which individuals are unable to obtain the minimum amount of income needed in order to maintain the average

standard of living found within the society that the individual lives in. These standards are different in different societies and can change through time. For example, a necessary basic diet in the United States would not be the same as a basic diet in Bolivia. Similarly, the infrastructure of the United States has drastically changed over time turning what was once considered luxury items into modern day necessities for most American citizens. Items such as cars, computers and telephones could be considered necessary to life in many developed countries, though in other areas of the world these exact items would be considered luxury goods. In this case, poverty is contextual, meaning that it is subject to changing standards as situations change. When speaking in relative terms, poverty is not the same everywhere and it varies from one historical period to another. Due to this, it is hard for society to easily impose their personal standards on other societies as well as attempting to impose past standards on current times. (Marger, 167)

The official poverty measure came to be used by the Census Bureau in 1959, and the method has been used to estimate the national poverty rate in the United States since. A main reason for using this method to define poverty is to enable government officials to create income thresholds that determine how many people in given area live in poverty. These thresholds are established by tripling the inflation adjusted-cost of a minimum food diet in 1963 and adjusting for family size, composition and age. (UCD, 2016) The math behind these thresholds was enacted by Lyndon B. Johnson's War on Poverty. The Social Security Administration developed the formula for the threshold which has remained unaltered throughout its existence. The poverty level threshold is a sliding scale and can change due to the

amount of people found within each family. Using this method also allows for the government to provide guidance for federal poverty policy and subsequent programs. These guidelines that were established provide a numeric element in defining poverty through the establishment of the official poverty line. “Neither absolute nor relative poverty definitions permit us to actually make a count of the poor or to measure poverty. Even if, using either of these conceptions, there were no disagreement regarding what the general state of poverty is, there is no way of implementing that standard and enumerating the poor without imposing some measurable criteria. Government in a sense, settles the argument about who is poor and what conditions actually constitute poverty by applying a uniform yard stick for counting the poor and measuring poverty.” (Marger, 149) The official poverty line is somewhat arbitrary due to when a family making only a few hundred dollars more above the poverty line could be considered safely above poverty in a numeric sense. The creation of a poverty line also focuses solely on income level while often ignoring the other aspects of poverty such as poor schools, healthcare and infrastructure. Counting the poor to establish an official poverty line has become an intense political issue with politicians choosing different approaches in defining how many citizens are living in poverty.

Explanations of Poverty

The causes of poverty are a tricky thing to pin down because there are so many different factors at play. Two groups of impoverished people could be in the exact same financial situation, but for entirely different reasons. For example, when breaking down U.S. poverty distribution into demographic subcategories it is evident

that since the early 1960's, African-Americans are three times as likely to be classified as living in poverty than their white counterparts. (Kerbo, 1983) Is this finding just a coincidence? Or is it evidence that larger forces at play may have created a system in which certain groups find it much harder to free themselves from the bounds of poverty? Historically, common explanations of poverty point to the characteristics of the poor as the most responsible factor of their conditions. (Kerbo, 278) Of course, it isn't difficult to see that the structural economic conditions in the United States could keep certain groups poor under no direct fault of their own. While analyzing the chronic poverty found within the Appalachian Region, I will examine broad causes of poverty throughout society, but will also be discussing unique factors that have contributed to the development of the Appalachian poverty itself.

In reviewing the various explanations of poverty, Kerbo has delimited four broad theoretical approaches for explaining poverty. The first theory is referred to as the "popular view". This view follows the popular sentiment of blaming the poor by suggesting that the characteristics of the poor are the cause of poverty. The second or culture of poverty theory also suggests that the characteristics of the poor are to blame but does this indirectly while showing the social conditions that were already set in place to create the basis for poverty. The third view is referred to as "situational theories" which place more stress on social conditions causing poverty. This theory does suggest that poverty produces people with particular characteristics, but these characteristics are not the main cause of poverty. The fourth and final view on the causes of poverty is referred to as the structural or

conflict perspective. This view implies that political and economic forces in society are the main causation of poverty with little emphasis on the actions of the people that are impoverished. (Kerbo, 285)

The study of poverty, has been dominated by three questions: Are the poor different from other people? If so, how different are the poor, and how deep are these differences? (Kerbo, 1983) While it is important to understand different views of poverty in order to grasp how poverty has been created within the Appalachian region, there is one theory that holds multiple characteristics that has been applied to the region. The culture-of-poverty theory was created by Oscar Lewis after he conducted lengthy and detailed research of families living in poverty in rural Mexico. (Lewis, 1959)

Through his research Lewis produced five major points that go along with his theory on poverty. The first two essentially state that because of the conditions of poverty, the poor are presented with unique problems in living which in turn propels them to follow a unique lifestyle when compared to someone who isn't living in poverty. Lewis then says that when this lifestyle is developed, these common characteristics that come from it develop into common values, attitudes and behaviors and a subculture born from poverty arises. "Once this common subculture of poverty has become, in a sense, institutionalized, it is self-perpetuating. In other words, it becomes relatively independent of the social conditions of poverty that helped produce the subculture. The values, attitudes and behaviors that are part of this subculture are passed on to the children of the poor." (Kerbo, 277) At this point in his theory, Lewis has paved the pathway for how children are socialized into this

subculture and thus the beginning factors for chronic poverty have been established. Finally Lewis states that “because this subculture is believed to shape the basic character and personality of people raised in poverty, even if opportunities to become non poor arise, the poor will retain the traits that allowed them to adjust to the original conditions of poverty. Thus, the poor will not be able to adjust to the new situation through values and behavior that will allow for them to take advantage of new opportunities to become non poor.” (Lewis, 282)

While it is simple to immediately apply this theory as an explanation for the existence of poverty within the Appalachian region, through research it isn't hard to see that in this case of widespread poverty there are many other internal and external forces at play. Many characteristics of the culture of poverty can be found at community, family and individual levels. On a community level there is often a lack of participation in the institutions of the wider society. On a family level there is a relative absence of a long childhood and on an individual level the poor are believed to have strong feelings of marginality, helplessness, dependence and inferiority. (Kerbo, 1983) Developing this sort of mindset as an adolescent is one of the contributing factors of the overall subculture of poverty that acts to reinforce the thought of individuals that are born into this way of life are supposed to be there. As this thought spreads throughout a community, the local population becomes susceptible to falling into the culture of poverty.

While the culture of poverty view has wide appeal and logic it also has shortcomings. Lewis later stated that in his personal opinion the United States is too advanced to really have groups of people that live within a culture of poverty. Many

people have chosen to ignore Lewis's point on this and still apply the theory to impoverished communities in the United States and around the world. While no theory on poverty is perfect, it is important to analyze several different theories in trying to explain the chronic poverty within Appalachia. Throughout the remainder of this paper I plan to analyze the history of the region and report on key structures or patterns that could've lead to the creation of chronic poverty that continues to hold entire communities in its grasp to this day.

Early History of the Region

The Scots-Irish Immigration

To understand what could cause an area like Appalachia to become impoverished, it is important to first know the history of the region and how Appalachia became a place for individuals to settle. While there were different ethnic groups that migrated into the region, the focus of this section was primarily on the Scots-Irish. In the 18th century the world was quickly expanding and a mass exodus of Scots-Irish from their homeland was occurring. These individuals were seeking religious freedom from the ruling authority. King Charles I had been trying to control the religious views of the Scots-Irish by forcing them to move to a segregated northern area of Ireland. After years of violence due to territorial and religious disputes, King Charles I attempted to force the Presbyterian majority Scots-Irish into the Church of England. Instead of assimilating into the church, many of the Scots-Irish decided to immigrate to America where the hopes of religious and personal freedom were promising. (Ruley, 1993)

Over the next century over two-hundred thousand people immigrated to the original thirteen colonies. While the largest overall numbers went to Pennsylvania, a large concentration decided to try and make it in the Appalachian region. As the years went by, more and more Scots-Irish decided to make the region their home as much of the land closer to the east coast had been purchased and the remaining areas were too costly for new immigrants coming into the country. The mass influx continued into the 19th century due to continued violence in Northern Ireland and famine. The movement into the mountains was not an easy one and new settlers faced an extremely challenging life, but the issues the Scots-Irish faced in their homeland had created a resilient spirit that allowed them to overcome the hardships they encountered in this new frontier. This ethnic group changed the face of Appalachia and the cultural contributions given by them shaped the development of the area for years.

Economic and Political Effects of the Civil War

By the mid-nineteenth century the U.S. was engulfed in civil war and the people of Appalachia were to feel the effects in their everyday lives. "A general weakening of the social and political loyalties of the region further eroded civil peace". (McKinney, 49) When skilled workers were drafted into the war the economy began to shift in a negative direction. Infrastructure such as roads and bridges began to fall apart because the men in charge of them were off fighting the Civil War. Without the appropriate infrastructure for transportation, many remote areas were unable to receive the goods and services they desperately needed. A time of intense hardship for the region was exacerbated by rising inflation that was ruining

families across the nation. Many people within Appalachia were forced to flee as the economy of the area reached a breaking point. Schools began to close and serious social dislocation was beginning to form. As institutions continued to decline, small bouts of guerrilla warfare began to happen and this undermined political structure throughout the region. As the amount of families fleeing the area began to rise, so did the amount of Appalachian citizens killed by Confederates, usually due to the fact that they were fleeing the area.

Towards the end of the Civil War, the social decay caused by the conflict had become entrenched in Appalachia. The social gap created by this decay in relation to the rest of the country opened the door for a multitude of stereotypes that are still being used today to describe the regions inhabitants. Following the Civil War was the creation of a negative vision of the Appalachian citizen that was being painted in the nations mind through newspapers and popular fiction. The stereotypes being created painted the average Appalachian citizen as backwards and violent. As publications began to focus on the area, the pictures being painted in the public's mind were continually filled with negative stereotypes. One of the biggest things to take away from the region during the time of the civil war was not only the creation of stereotypes, but the creation of the stereotype of poverty. This stereotype continued to develop throughout the history of the region, but it was the first time in which people started to believe the impoverished conditions in Appalachia were just "supposed" to be that way.

Perceptions of Appalachia

An initial reason for the shift in the public's view of Appalachian settlers was the way feuds were described through local and national newspapers. Before the Civil War many newspapers described feuds as events that took place in the upper class. (Waller, 349) The point of this information is to show that before the association of feuds within the Appalachian region occurred, dueling was normal part of society within many upper class families.

After 1885 all of this changed, and feuding and violence started to become associated with the Kentucky area in a more derogatory manner. (Waller, 350) The newspaper stories weren't drawing in an audience by telling tales of prestige and grandeur through feuding, but rather exploiting the unrest and violence that was present in the post-civil war Appalachian society. While many of the violent occurrences in Kentucky that made national newspapers had much deeper social issues behind them, the country began to create an image of a violent Appalachia in their head.

Local color writers had been continuously working in the area, creating the tall tales that many United States citizens were beginning to think of as non-fiction. "Between 1870 and 1900 scores of articles, both fiction and nonfiction, were published that pictured ways of life in the highland South as vastly out of step, culturally and economically, with the progressive trends of industrializing and urbanizing nineteenth-century America." (Pudup,1) These stories not only hurt the social image of Appalachian people, but also influenced early scholarly descriptions of the area. As the reports of these feuds continued it wasn't long until the headlines were associating the feuding with the "Appalachian Region" instead of "Kentucky" as

a whole. These stereotypes that had been created were now being seen by people all over the country with an increased focus on the overall violent acts that were occurring. Many citizens began to build an internal bias towards the area due to the information that was being conveyed about the people of Appalachia in newspapers, fiction and other writings. People started to believe that the average Appalachian man was a violent brute that couldn't be reasoned with. These stereotypes started to cause a mass avoidance of the area due to the fact that many American citizens believed that if they entered the area they would possibly be unable to return to their homes alive.

Through the different publications about Appalachian feuding, the overall media portrayal of the area caused a thought to develop that would bring on decades of trouble for the overall development of the region. Many believed that the only way to save the mountain people from these conflicts was through means of economic development. This statement in itself is extremely troubling and has brought on decades of misdevelopment that still is relevant to this day. As history progressed other groups such as the Appalachian Regional Commission struggled with finding the balance of economic assistance and actually changing the infrastructure and social structure of many towns within the region. This focus on economic development as the only cure for the issues found within Appalachia has proven to be a deeply misguided perception of our nation and has been a strong contributing factor to the chronic poverty that the nation sees today.

Absentee Landowners

When settlers first began to create pathways into the Appalachian region, an abundance of untouched natural resources were discovered and soon sought after by those who were seeking to profit off of the land. Corporate ownership of the land started with the massive amount of absentee landowners within the region. The absentee landowners owned an immense amount of land before the Civil War and historical American figures such as George Washington took part in this practice with portions of land being divided among the victors of the Revolutionary War. Early investors seeing the promise of natural resources continued to buy up land well into the nineteenth century. For example, by 1810, absentee landowners were reported as owning ninety-three percent of the land found within West Virginia. As the average settler was struggling to make ends meet, absentee landowners were gobbling up any available land making it harder for the average Appalachian citizen to actually own any of the property in their area. Even settlers that previously owned plots of land were dealing with absentee owners buying the right to the ground beneath them while only allowing the settlers to retain surface rights.

These purchases were working towards being able to fully take advantage of the areas resources. “Outside ownership of large tracts of land for the purpose of resource extraction has created a conduit through which significant wealth has been drained from the region in the form of corporate profits. Which has drained the Appalachians for more than a century” (Payne, 2016) While this practice seems like something that would’ve been controlled over time, the West Virginia area was still seeing absentee landowners controlling two-thirds of private lands as late as 1974. At least half of this land was owned by out of state corporate interests. As time

passed many corporate companies were able to take advantage of the Appalachian people by harvesting the resources found in the land beneath them while paying little to no property taxes. If an appropriate taxation amount had been placed on the corporations, the progression of infrastructure within many Appalachian cities could've been a completely different story.

The Industrialization of Appalachia

Beginnings of the Timber Industry

Businesses from outside the region began to make their way into Appalachia, in the later decades of the nineteenth century. The timber corporations were the first to begin the process of industrialization within the region. Steamboat traffic began to pick up as new water based routes were discovered in the region. Logging operations began to establish sites along major river channels, but the vast amount of timber remained untouched until about a decade after the Civil War. As industry leaders realized the potential profit, a push was made to develop railroad systems in the area. This not only established transportation routes for settlers and outsiders alike, it enabled companies to move resources out of the area in a quick and orderly fashion. "The coming of the railroads was important to the timber industry because it provided outlets for the forest products so bountiful in the country. The demand for forest products, job opportunities, and new accessibility made the mountains more hospitable and hundreds of new settlements were established along the rail junctions." (Appalachian Wood) Lumber companies from the east were seeking new sources of timber and found a new area of untouched land that was home to an

amount of timber that had never been seen before. Mills began to pop up all over the region with workers moving through the land with a seemingly endless supply of timber. Manpower and machinery alike were used to clear acres of land with the timber being sent back east for the production of hundreds of products. (Pudup, 297) Sustainability was not being practiced by many corporations at the time and an immense amount of wasted wood was left behind which led to fires moving through harvested areas. These fires were multiplied by the wasted wood and caused permanent damage to the soil of much of the harvest area. Though nature was able to come back and revitalize the soil of these areas, the changing of harvest practices were necessary to preserve the future of timber growth. Many of the trees found within current day Appalachia are second growth trees that were able to bounce back after the revitalization of the soil in the area. While the timber industry was harmful to the region in some aspects, the economic success generated from the harvest of timber and the accompanying railroads would lead to the development of coal mining operations in Appalachia. These operations would prove to be extremely detrimental for the Appalachian environment and for the people who call this land home.

The Establishment of Corporate Coal

The Appalachian region has been one of the largest sources of coal in the world since it was discovered in the eighteenth century. Early explorers of the area made note of the abundance of coal veins throughout the area, with historical figures such as Thomas Jefferson making note of the overall abundance of the natural resource. Though the coal potential was known by many, there wasn't much use for

the resource in the early eighteenth century, other than to fuel the fires for local blacksmiths.

As the Civil War was coming to an end, the United States was coming into an age of rapid industrialization. (Green, 5) The industrial revolution brought on new manufacturing methods that used machines to create products instead of relying on the manpower of the average worker. The rise of the mechanized factory system required a resource to power the equipment found within production lines. The use of steam and water power was a widespread practice, but as factories grew larger a need for coal to power these machines was in high demand. As factories and railroads spread across the country, capitalists seeking to take advantage of rising energy needs made their way into rural areas in search of the potential of untapped coal resources.

The first wave of coal mines were often run by small local operators with little to no financing. (Eller, 15) These small time operations would churn out a decent amount of coal, but it was nowhere near enough for the needs of the quickly industrializing United States. After the Civil War these small operations started to consolidate which enabled coal barons to establish wide scale operations through the assimilation of local mining efforts. The local miners proved to be no competition for the corporations due to the immense amount of capital and machinery held by the larger companies. This consolidation set the stage for the growth of larger corporations that took full advantage of the area in later years.

As mining operations continued in the area, the United States was thrust into World War One and the national demand for the resource grew to new heights. This

demand proved to be too much for local and temporary workers to handle, and in response the corporations found ways to bring in an immense amount of outsiders to help with overall operations. (Erikson, 101) Recruiters would station themselves at places like Ellis Island, promising new immigrants a lucrative position as a miner. This opportunity for work drove many European immigrants to make their way to the region and to join the workforce of Appalachian miners.

At the height of this coal boom there were over twelve-thousand mines in the region which employed over seven-hundred thousand men. While coal mining continues to be a risky profession, the early miners faced extremely dangerous and primitive conditions. Miners would essentially dig and blast their way into the hillside while building crude underground pathways to harvest the resources found within. Heavy wooden timbers would be used to support the pathways, though the risk of collapse was still present in the everyday workspace. Once the coal was found, hand drills would be used to create holes in which explosives were placed. The resulting explosion would loosen up the coal to the point where it could be mined and taken out by workers. Though these harvesting methods would improve, the destruction of the environment and the treatment of the workers would only worsen. As companies continued to recruit new workers, the massive influx of people created a living issue in which many people were forced to live off of the land. (Erikson, 97) To combat this, coal companies created their own towns in which workers could live with their families. The progression of these company towns set the stage for the practice of corporations taking advantage of the land and the people at every turn.

The Construction of Company Towns

Company towns were corporate run towns in which employees lived under the control of the same individuals that they worked for. Many remote job locations in Appalachia in the late 1800's lacked the proper infrastructure to handle the amount of workers who were making their way into the mountains. The creation of these towns allowed for communities to grow, though it also gave companies more control over workers lives. The coal industry and other companies alike would often take advantage of this position over their workers. (Erikson, 106) These towns sought to provide the essential parts of community life for its citizens such as schools, libraries and churches.

Management of these towns continued to try and provide infrastructure to meet the daily needs of its workers, but a gap began to grow between the companies and the workers themselves. The overall economics of company towns were beneficial to the company, but not to the workers. Workers were often paid in scrip to be used at the stores found within the company towns. This may not seem so bad at first, until one accounts for the imaginary inflation being applied to the goods in stores by the companies. The scrip payment system put the average worker at an extreme disadvantage compared to those being paid in actual U.S. currency. (Erikson, 108)

As the twentieth century progressed, the federal government grew stronger and started to provide more government funded public resources near many company towns. As welfare capitalism became prevalent in society, the amenities that the working class could only get from company towns were now more available to obtain personally. Company towns owned for-profit shops that did not work to

benefit the workers in any way. (Erikson, 108) This created an economic monopoly in a system in which workers weren't even being paid in standard currency. The average town had a lack of elected officials and services owned by groups other than the company that owned the town. This left the citizens with little to no say about the local affairs going on around them.

As the nation progressed into the 1930's, almost seventy percent of miners in the Appalachian region called the town's home. There were around five hundred company towns with the region with most being focused around the coal industry. Coal miners had been continually taken advantage of during the lifespan of the towns with measurements set in place requiring many workers to rent their own tools as well as being forced to sign yellow dog contracts. These contracts essentially stated that workers weren't allowed to join or form unions under the threat of termination. This allowed for corporations to continue to take advantage of its workers even in an era where paternalism was a dying practice. (Erikson, 107)

Eventually, other naturally formed communities began to develop around the company towns. The need for the company town was quickly depressing, but the negative long term effects the practice had left on the people would lead to more serious issues down the road. The cultural impact the company towns had on many individuals within Appalachia included increased passivity, resignation, fatalism and an increased paternalistic dependence. (Erikson,104) Though the practice of paternalism was becoming less common, widespread coal reliance on corporations built the beginning of the transition to the reliance on welfare of many people in the

Appalachian region. This reliance would continue to build and becoming a serious underlying factor in the creation of chronic poverty within the region.

Post-Depression Appalachia

As the era of company towns was coming to an end, the results of an area seeing unprecedented growth and economic change since the Civil War were starting to become apparent. Most of the Appalachia area was still a land of natural beauty and deep cultural heritage, but it had become a paradox of the American landscape, a rich land inhabited by poor people. (Eller, 2008) The area had become overwhelmed by an expanding market economy that altered social relationships, land use patterns and the meaning of work itself. As the boom times correlated with the First World War were beginning to give way to economic depression, much of the old Appalachia had survived, but much had fundamentally changed for good. As the country was reeling from the great depression and preparing to enter another world war, the landscape of the Appalachians had taken a beating from the previous decades of excavations. Hillsides of hardwood timber had been completely cleared and thick seams of copper, coal and mica had been taken from the earth and shipped to factories in the urban areas of the northeast. The damage these practices had done to the land was extremely apparent with soil on the hillsides eroding and streams being polluted to the point where they were unusable. The human resources found within the region were also going through an extreme change. Before the company town many settlers lived in small mountain homes that enabled them to nurture their families through a diverse forest based agriculture. Thousands of families eventually left their secluded farms and migrated to new industrial camps

and textile towns found within the Appalachians or the foothills surrounding the area. (Eller, 20) The once romanticized way of living on your own and off of the land that many early settlers experienced when first arriving in the Appalachians, had essentially come to an end for the majority of people in the area.

Many of the mountains residents faced the future with fear and uncertainty. These people had seen the arrival of the modern age and had witnessed how quickly it transformed the land and economy. As one Tennessee mountain farmer lamented, "The real old mountaineer is a thing of the past, and what will finally take our place, God only knows." (Eller, 11) While many mountain residents felt this way towards the future, many others still held to the promise of a better life through the new economic order. This new order proved to be a contradictory one for the Appalachian people in a multitude of ways, but was still able to generate enormous profits for the corporations involved. The wealth that was generated by capital growth and Appalachian labor largely flowed out of the region, leaving the land devastated and many of its inhabitants dependent and poor.

Politics and Poverty

War Time Revitalization

By the 1940's the pattern of growth without development had become the norm in Appalachia. The region had seen a rapid expansion in jobs and the ability to extract natural resources from the land, but this growth had come without the internal development needed to sustain prosperity. As Appalachian families and the rest of the nation recovered from the Great Depression, the United States was pulled into the Second World War and once again the demand for Appalachian coal and

timber was stimulated. Many downtrodden workers rushed back to the mines and forests of Appalachia in hopes of economically rebuilding themselves. (Eller, 15) War industries needed vast amounts of coal and timber and many jobs also opened up within manufacturing sectors, with these companies clamoring for new workers to help with increased demand.

Once idle mines were reopening and many closed company towns were reopened and set up as a base of operations for many of these extractive companies to house and hold workers. The main effect of the war mobilization on the people Appalachia was the rebuilding of a sense of hope. A new generation of young people that had only known poverty and hard times, started to see some economic prosperity come back to their hometowns. Farm prices began to recover and new coal mines and sawmills opened across the region. Those who didn't find work in Appalachia joined the armed forces, with thousands of volunteers making their way out of the region to help defend the country. (Eller, 12) Towns that hadn't seen population growth in years were now bustling with life. The revitalization of industry in Appalachia was a positive sign for many and the hope of a better future for the citizens of the region was not an uncommon thought. The wartime boom brought in a vast amount of jobs, but also new companies and individuals looking to make profit. It wasn't long before mineral agents, timber buyers and land developers invaded the region anew.

Much of this wartime boom was facilitated by government expenditures. Federal contracts for ordnance and war materials helped to stimulate production inside and outside of the region. Government loans also financed much of the

expansion of critical industrial facilities found within the region. (Eller, 12) Federal agencies worked to develop a vast amount infrastructure including mining facilities, chemical plants, and worked with the Tennessee Valley Authority to improve electrical systems and provide cheaper electricity across the region. The Works Progress Administration was a New Deal agency that sprung out of the Great Depression. During this period, the agency employed thousands of workers to build new buildings and roads within the region which vastly improved the infrastructure of Appalachia. This infrastructure proved to be extremely valuable to the region as time went on, but focusing infrastructure development on building business would prove to have a detrimental effect on the area in the future.

The mountain population responded to the call for national defense with great enthusiasm. Appalachian people had always been quick to serve their country and enlistment rates were some of the highest in the country during World War Two. “This promise of steady employment, higher wages, and better living conditions drew thousands into the armed services and into the defense plants of major U.S. cities.” (Eller,12) Defense plants would even recruit teenage employees and transport them to mills and assembly lines in urban centers.

The government was providing many citizens of Appalachia with jobs that enabled them to essentially rebuild their lives. “When asked how he liked the army, one mountain youth responded, “Anything is better than what I had at home.” A year into the war, a mountain teacher reported, “The young manhood of our town has moved out almost en masse...Never again can this section be the same.” (Eller,13) The individuals who stayed in the region were able to find employment opportunities

where none had existed before. The revived plants were experiencing labor shortages which in turn caused the companies to hire older workers. Many of these men had worked in mines and factories during the first production boom caused by World War One and now found themselves heading to the mines once again in an effort to provide for their families.

The United States entering World War Two brought on a rush of economic activity that hadn't been seen in the Appalachian region since the early twentieth century. The new opportunity for jobs and business expansion created a respite from the hard times caused by economic depression. This sudden and explosive growth was masking fundamental flaws that would come back as serious issues when the war time boom began to die. At this point, most of Appalachia's mineral and timber industries were still controlled by outside forces. The profit from extracting the resources from the land was essentially being un-taxed for local benefit. Companies were seeing huge profit margins and for the most part were giving little to no money back to the communities in which they operated. The single industry economy hurt the diversification of locally based business and began to tie many communities in Appalachia to national and international markets.

Local political leaders, many of who benefited from these outside corporations by acting as middlemen, continued to defend the status quo of what was going on with the economics of the region. (Eller, 15) The gap that existed between traditional agricultural communities and modernizing urban centers before the war had rapidly expanded during the expansion of industrialization. While the government financed many infrastructure projects within the region, these projects

tended to focus on building more business opportunities only and ignored many crucial parts that help support communities. Even though it seemed as if the local economies were booming, many hospitals, schools and other public facilities were ignored and left to deteriorate. Continued overexpansion of coal mines had created intense competition between smaller local mines and corporate owned operations. Miners in these smaller mines received lower wages and no benefits for their work which in turn made them extremely vulnerable to fluctuations in the coal market. New technologies had also arisen making it easier to mine and extract coal which in turn meant that less workers would be needed in the mines themselves. (Eller, 18) As World War Two was coming to an end the demand for coal began to level off and because of the factors that were at play during war time production, the regional economy of Appalachia would suffer greatly.

Return and Migration

A generation of mountain youth had grown up during the Great Depression not knowing if the conditions of their lives would get much better. With the revitalization of the Appalachian economy caused by World War Two, these same children had now experienced life with better wages, improved healthcare, and improved housing. This experience caused this group to hope for a brighter future for themselves and their children. Soldiers were beginning to return home to find overwhelming changes within their communities. "When I left here in 1941," observed one veteran, "everybody was stone broke and had just about run out of ambition to do anything except draw relief rations, piddle around on the WPA and loaf. But when I got back home the mines were going full blast and a lot of men who

didn't even have a job in 1941 were runnin' two or three truck mines and had seventy five or a hundred thousand in cash." (Eller, 17)

These hopes for the future may have been temporarily fulfilled, but the economic setup of the revitalization period proved to be flawed in many ways. Though agricultural based industry had continued to decline during this period, a lot of hope was placed on the coal community's ability to prosper even as international demand was dropping. For a short period of time the transition from war time markets was smooth. In 1946 the Office of Price Administration was disbanded and coal prices soared. This price soar worked to further the region's economic expansion to continue.

By 1948, this postwar boom had ended and the demand for coal began to level off. This period also witnessed the long term effects of mine mechanization come to fruition. An array of pipelines had been constructed over the area and in turn this increased the amount of oil and natural gas flowing out of the region. It wasn't long before consumers began to convert to these energy options due to the availability. These new fuel sources were cleaner, cheaper and more efficient. (Eller, 39) While in the grand picture of energy collection this was a positive, it severely impacted the coal industry and the Appalachian region. Much of the progress that was made during the forties was at risk at being lost and the hope for the future the communities once had, was quickly diminishing.

As a gloom settled over the coalfields of Appalachia, labor leaders and the largest coal producers were working together on an agreement that could help save the industry, and some of those who worked within it. On the surface, the National

Bituminous Coal Agreement of 1950 seemed to mark a victory for many of the miners who were part of a union. This contract raised wages and benefits, and mining royalties were put into health and retirement funds for union mine workers. The contract was agreed on to help end overexpansion which had been a leading cause of issues that arose within the industry. (Moonlit Road) The grand scheme of the agreement was to force smaller mine operators out of business which would in turn eliminate the issue of too many mines and too many miners. While the agreement would cause the displacement of thousands of miners, those who were in the union would be able to have a steady job with good wages and benefits.

Technological improvements in mining resulted in thousands of locally owned mines being forced to close and many Appalachian miners being replaced by machines in the following years. The mechanization that was ramping up during the World War Two boom had now truly proven to be a double edge sword on the mining communities. At the end of the war the region had 475,000 miners working in the coal industry and only twenty years later this number had dropped to 107,000. (Eller, 20) Mechanization had reduced labor cost and increased productivity across the board and many union and nonunion miners were let go by corporations in the name of profit.

As economic conditions continued to deteriorate in Appalachia, individuals began to look for new ways to provide for their families. Local opportunities for work were not abundant, and many of the extractive industries were cutting their workforce numbers with mechanization making previous jobs obsolete. During the previous years, highway systems had been built which allowed for much easier

travel in and out of the mountain communities. The Appalachian people took full advantage of these new roads and a mass migration out of the region began to occur. A flood of over three-million displaced workers and families made their way into northern cities such as Akron, Chicago, Cincinnati, Detroit and other cities with economic promise from 1950 until 1970. Many relocated Appalachian citizens often made their own ethnic neighborhoods within some cities, which in turn would attract more mountain people to migrate over time. "As a result of these patterns of relocation, linkages between the mountains and urban migrants remained strong, and frequent weekend visits provided a web of support for both migrants and their families." (Eller, 22) These highway systems allowed for individuals to work in larger cities and still provide for those at home. Urban migrants were able to find steady work and higher wages, which in turn allowed for them to obtain higher standards of living. These higher standards of living would then show the economic possibility of moving to a big city, to those still in the mountains. As this out-migration period continued, the vast amount of traffic on the highway systems earned many of the main roads the nickname "hillbilly highways". Moving to Northern cities allowed for the mountain people to increase their quality of life through better wages, better schools for their children and an overall increase on the quality of infrastructure found within their new communities.

While the out-migration movement was able to provide these quality of life improvements for some, others that moved into the cities found the new lifestyle to be overwhelming. Many men were used to the freedom they found in the workplace when working in the extractive industries found within the mountains. The new

disciplined and regimented workplace found within many of the factories caused stress within the mountain men and caused further issues with assimilating into the city culture. Appalachian migrants also faced discrimination in everyday life with living conditions deteriorating as more families came into the cities. Some landlords in Chicago openly refused to rent to “hillbillies” and others would raise rates on renters who came from the region. Community leaders began to openly condemn Appalachian migrants as the stereotypes of Appalachia had become part of the national conception of the region. “Convinced that Appalachians were ignorant, lazy, unclean and sometimes immoral, community leaders bemoaned their arrival as “a sore to the city and a plague to themselves” and blamed them for rising crime, congestion and a host of other urban maladies.” (Eller,25) It was these conditions that drew the concern of many social welfare professionals to study the plight of the Appalachian migrant which in turn drew nation-wide attention to the problems caused by the great migration out of the mountains.

Workshops began to emerge in the Midwest and elsewhere with the sole purpose of teaching the public about the mountain people and their history. This academic interest acted as a predecessor for many of the studies that came after the War on Poverty began and the Appalachian Regional Commission was formed. Though the majority of the Appalachian population stayed in the region, the migration to the cities caused a severe population loss in many states within Appalachia. The losses in central Appalachia dominated by coal mining, were most severe with Kentucky losing thirty-five percent of its population in the fifties. West Virginia also saw its population drop by twenty-five percent in the same decade.

(Eller, 28) The economic downturn caused by the decline of coal and subsequent mass migration to the cities had destroyed much of the hope of Appalachia. With national attention beginning to draw to the region, it was time for the federal government to aid the almost forgotten land.

Federal Disruption and the War on Poverty

As conditions in Appalachia worsened, academics and policy makers were attempting to address the issues that were causing poverty in the region.

Throughout the twentieth century, poverty was increasingly looked at as a deviant condition. In the minds of many, the impoverished economic and social conditions mountain people found themselves in were just a result of the deficits of poor people and the place in which they lived. Not many scholars at the time attempted to link the impoverished conditions as a product of the inequities fostered by society or economic modernization. (Eller, 57) Even the most liberal economists in the 1960s viewed poverty as nothing but a deviation from the norm that would eventually be eliminated by continuous growth. Most leading economists of the time tended to accept a Keynesian model of government facilitated growth. This model essentially stated that national wealth was like a rising tide that lifts all boats. Not many academics viewed the “poverty pockets” that had been generated during the twentieth century as long term issues within public policy. This mindset left many policy makers believing that stimulating the economy would do more to combat poverty than attacking the issue itself.

After the war, scholars from a variety of fields began to study the Appalachian culture and history in an attempt to explain why this area of the United States had become so impoverished. Building on the ideas of Oscar Lewis, many adhered to

the notion that certain group folkways could work to produce a culture of poverty passed from one generation to another. The culture of poverty model was widely accepted by both scholars and policy makers within the federal government. Soon, a North Carolina sociologist named Rupert Vance wrote that “the physical isolation that had created a distinct culture in Appalachia now was in danger of producing a permanent culture of poverty in the mountains unless the government intervened to raise the goals and aspirations of the people.” (Eller,101) As more models about poverty came to light, different ideals and viewpoints on how to handle the problem started to arise. The Federal government had to find a model to develop anti-poverty programs and they had to do it quickly. The culture of poverty model was eventually chosen, though this decision had several flaws that would inhibit the success of anti-poverty programs to come. This model emphasized the benefits of modernization and offered a convenient explanation as to why the government should act as an agent of acculturation. It also allowed for policy makers to see poverty as a universal condition that could be easily overcome through American-style development. Unfortunately this in turn allowed for the issue of poverty to be displaced onto the culture of the poor themselves instead of looking at the possible inequities caused by modernization. “Later generations of scholars would reject the culture of poverty model as blaming the victim, but the theory played a powerful role in shaping many of the antipoverty programs of the late twentieth century.” (Eller, 101)

Up until the 1960’s, poverty had been ignored by the nation especially the poverty in Appalachia. This changed during the 1960 presidential campaign when John F. Kennedy visited with the Council of Appalachian Governors to discuss

concerns about the area. The group was united in seeking federal assistance for the mountainous portions of their respective states. Kennedy discussed and listened to the governors concerns, while simultaneously visiting economically depressed areas of West Virginia. Kennedy was deeply moved by what he saw and went on to win the presidential race with the Appalachian people still on his mind. Two years later, Harry Caudill released the book *Night Comes to the Cumberlands*. The book was a scathing expose of the coal industry. While the culture of poverty theory was becoming more accepted, this book offered an alternative image of Appalachia as an oppressed region.

“Caudill attributed the economic problems of central Appalachia to the years of government neglect and corporate greed that had turned the mountains into an industrial wasteland. Most Americans, he argued, had seen the fact of Appalachian poverty ‘the bleak hillsides, the gray mining camps, the littered roadsides, the rickety houses, and the tattered dispirited people’—but few were familiar with the other face of Appalachia, the affluence that remained discreetly out of view. ‘Absenteeism and anonymity,’ he pointed out to all who would listen, ‘curtain the vast domain of giant corporations which own the region’s wealth.’ Coddled by state and local officials who were too often corrupt and self-serving, the absentee corporations drained the wealth of Appalachia just as surely as they stole the riches of Central America” (Eller, 136)

With the combination of increased national pressure as a result of the book and Kennedy’s visit to the area, a new degree of federal focus was established and President Kennedy immediately went to work in an attempt to fix the issues found in

Appalachia. Kennedy formed the Presidents Appalachian Regional Committee that, would assist in bringing federal dollars to the economically depressed region. Congressional support for federal aid to the region was rising and Kennedy had established crucial legislation concerning the Appalachian Regional Development Act that would be used to assist the area for years to come. Kennedy had a personal mission to assist the area, but unfortunately these goals were cut short when the president was assassinated in 1963. Lyndon Johnson, who had never personally visited the area at this point, took over the presidency and with this takeover a new set of ideals and objectives entered the oval office.

While Johnson worked to ensure the Appalachian Regional Development Act was enacted by Congress, he was also starting a national war on poverty. (Matthews, 2014) Johnson now had an entire nation to handle when attacking the issues causing poverty and was unable to devote as much attention to the plans Kennedy had in place to assist the Appalachian region. Even with this shift of focus, Kennedy's previous legislation, the Appalachian Regional Development Act was enacted by congress in 1965. This created the Appalachian Regional Commission as a federal agency which would work to directly assist the people of Appalachia.

Establishment of the ARC and Growth Theory

The War on Poverty declaration brought the issue of poverty into the mind of many Americans, and as a result an explosion of interest in poverty in the Appalachian region occurred specifically. "The confidence, idealism, and enthusiasm that accompanied the launching of the anti-poverty campaign in Appalachia provided fertile ground for the emergence of a regional awareness and reform movement."

(Eller, 132) Programs like the Appalachian Regional Commission were founded to help coordinate government efforts focused on the economic development of Appalachia. The commission worked with federal, state and local government systems to help create different initiatives aimed at decreasing poverty levels in the area. The ARC was also able to work along the efforts of other groups that were born from the Economic Opportunity Act of 1964 such as the Community Action Program, Job Corps and the Office of Economic Opportunity.

Young volunteers eager to fight the war on poverty made their way into different towns throughout the Appalachian region in an attempt to see the problems first hand. An unlikely mix of generations, social classes and cultural backgrounds came together to challenge common assumptions about the region, and to rectify economic and political injustices. These volunteers found an abused landscape and groups of struggling people who were in need of guidance on how to organize the community around them. The social and economic destruction the region had seen thus-far, became apparent to many of the volunteers within anti-poverty programs. The realization that Appalachian poverty was a deeper issue that could be fixed through fiscal policy would test the social services model, and eventually shifted the focus of antipoverty campaigns from individual uplift and local action to regional collaboration and structural change. The national motivation for antipoverty campaigns brought an immense surge of volunteers into the Appalachian region. (ARC) While the man power was needed, this many collective minds reflected a variety of economic and political philosophies. Antipoverty workers had the same collective goal, but individuals differed on the best way to reach it.

Head figures in the ARC placed an immense amount of faith in the correlation of modern technology and economic growth. This faith created a confidence in capitalism and public planning, that assumed growth produced prosperity and economic expansion could be managed in a way that would create better communities. (Eller, 100) The Appalachian Regional Commission was confident in bringing a modern economy to the mountains, and it was initiated through the application of growth theory. Growth theory states that economic growth is the result of endogenous forces such as human capital, knowledge, and innovation, and not external forces. (Matthews, 2014) This was the first time the theory was going to be applied to public investments in underdeveloped areas within the United States.

This emphasis on growth before economic stability had originated from the combination of post-World War Two economic thought and the resultant consumerism of the 1950's. The early primary goal of the ARC was solely focused on expanding the regional economy. In turn, this focus on growth would take resources away from broad regional based efforts, and send them to specific areas that the ARC thought had the greatest potential for growth.

“The solution, Sweeny told *U.S. News and World Report* shortly after the passage of the Appalachian Regional Development Act, was to concentrate all of the ARC spending for economic development in places where growth potential is greatest. Ignore the pockets of poverty and unemployment scattered in inaccessible hollows all over the area and build a network of roads so that the poor and unemployed can get out of their inaccessible hollows and commute to new jobs in or near the cities.” (Eller, 181) The original model of development that came along with

growth theory assumed the growth would occur simultaneously in urban and rural areas, but this model requires infrastructure and social overhead investments in dominant population centers with populations over 250,000. Soon it was realized that there were few growth centers of this size within the region and states such as Kentucky had no major growth centers at all. (Eller, 182)

As these strategies were worked out among the ARC and other antipoverty programs, many politicians in rural Appalachia began to fear that the growth centered strategy would end up diverting critical resources from internal depressed communities into large cities on the edge of the region. The states went on to reject first year proposals of concentrating ARC resources on industrial recruitment projects in major cities, instead of focusing support on the regions rural heartland. (Eller, 66) Appalachian politicians continued to argue that growth theory would exclude many areas of the region from receiving the assistance they need. In the first four years of ARC funding cities such as Scranton, Pennsylvania; Gadsden, Alabama; and Greenville, South Carolina would receive millions of dollars of ARC funding while the majority of rural regions were still being ignored. Under continued local political pressure, the commission worked out a deal in which essential elements of the growth theory stayed, but state ARC offices were given the ability to invest in more rural areas. Due to this compromise, the smaller communities of the region received much more attention from local and regional ARC efforts.

While the investments in rural areas were designed to assist impoverished communities, the underlying mission of attempting to prepare mountain people for life in the modern consumer world was still present. It wasn't uncommon for

antipoverty workers to recommend migrating from smaller rural cities to areas where economic opportunities were more abundant. The Appalachian people were essentially being told to follow instruction on how to rebuild their communities and to give up and leave simultaneously. This focus on growth theory and modernization ignored the root causes of poverty within the region.

Corporations had socially and economically ravaged the area and even after government intervention, poverty continued to plague the region and those responsible for many of these issues continued to extract the natural resources of the land. The focus on extractive corporations as being a key proponent of Appalachian poverty came into public thought when a report detailing the ownership of land in Appalachia was released in 1981. The controversial report was a pivotal moment in ARC history and for the first time, brought national attention to the injustices committed by corporations on the land and the people of Appalachia over the past century.

The Business of Poverty

Ethical Violations of Corporate Powers

A three year project by The Appalachian Land Ownership Tax Force concerning the regions landownership was completed in 1981 with the hope of minimizing inequality in the region .The task force that was assembled analyzed eighty counties within the region that had land deeds with plots over two-hundred and fifty acres or more. The researchers noted characteristics such as industrial and agricultural usage, mineral tax rates and whether the area was locally, federally or absentee owned. (Eury) The information painted a grim picture of local land

ownership in Appalachia. The study exposed the true depth of absentee control of Appalachia. Detailed analysis of twenty-million acres in the region showed that land and mineral ownership was in the hands of a few giant corporations. The same corporations who had been taking advantage of the Appalachian people for years, also had the legal right to the land the people lived on. The remainder of the land surveyed by the group showed that the eight million acres of land that weren't owned by large corporations, were owned by the federal government and only fifty private owners. Local land ownership was extremely rare and those locals who did own land, likely only owned a small sliver. Large corporations controlled forty percent of the land and seventy percent of the mineral rights. A vast majority of these land owning corporations were outside entities who paid little to no income taxes on the land they were ravaging for natural resources. "The survey found that more than seventy-five percent of the mineral owners paid annual taxes of less than twenty five cents an acre." (Eller, 200)

Attempted Appalachian development had been characterized by different economic theories and government assistance. The idea of being able to fix Appalachian through volunteer work and federal grants was undermined when the report was released in 1981. The economic conditions of the area now seemed to be a direct result of the extractive corporations that worked in the region. Though these companies employed numerous amounts of workers in the areas, the focus was simply on extraction and profit with little thought about the land or communities surrounding business operations.

The expose of landownership by these outside corporations showed that not only were local taxes barely being paid, these corporations were also just subsidiaries to larger multinational corporations. The national sacrifice zone that was being destroyed for the benefit of America, had now become a worldwide sacrifice zone and the lives of those who lived in the region had become part of this very sacrifice. (Scott, 31) The report enabled researches to tie almost every problem in the region such as inadequate taxation, mine safety, black lung disease, strip mining, deforestation, floods, substandard housing, welfare and the decline in farming back to the land holding corporations of the region. The research showed that throughout the 1970's, Appalachia lost one third of its farm land and half of its farmers due to changes in agricultural practices. (Eller, 167) The concentrated pattern of landownership in the region created a system in which the options for economic development would be extremely limited. The growth theory methods the ARC tried in the past would be unable to work in an area controlled by those who don't live there. Taxation was extremely inadequate and was a main cause of the starvation of public resources.

Outside corporations weren't totally to blame for Appalachian poverty. The mismanagement of non-corporate land by the government. Federally owned land intruded on the development of local tourism operations in many non-coal counties. (Eller) It constrained the economic choices of towns that didn't have extractive industries leaving many citizens without little to no options for work. Though previous ARC development ideas had been generally inefficient in the past, the new report developed a renewed sense of hope in the agency. "No one who has lived for

anytime in Appalachia”; admitted John Gaventa, one of the coordinators of the study, “can be surprised to hear that a handful of absentee corporations control huge portions of the regions land and minerals pay a pittance in local taxes. But the documentation of landownership and taxation in county after county establishes for the first time the pervasive pattern of inequity, and this factual information should provide the basis for long-needed changes.” (Eller, 209)

The ARC had high hopes for the future of development, but these hopes were unfortunately too optimistic. The land ownership report couldn't have come at a worse time for the ARC. The political climate of the time was focused on the impending inauguration of Ronald Reagan. Reagan was anti-tax, and anti-regulations, and promoted unrestricted free market activity. This made for an incredibly bad combination when the ARC had begun to realize that increasing taxes and limiting powers on corporate entities within the Appalachian region may be the best way to save it. Reagan came into office with a mission to cut budgets and reduce government intervention. Previous decades of work in the region and the entire existence of the ARC were now being threatened. Reagan didn't request for the agency to be included in his budget requests, and in turn the agency had to turn its attention from the information found within the land ownership report, to fighting for the agencies own survival. Even though the negative effects of absentee landownership in Appalachia had finally been widely recognized, the issue once again slipped from the political agenda. (Eller, 200) This shift of political focus also dissipated the alliance between activists and academics of the region. Eventually the Appalachian Alliance, which was a regional coalition fighting against corporate

abuse in Appalachia, faded and the Appalachian studies movement shifted away from activism and began to focus on matters of teaching and learning. National Appalachian interest had dissipated over time and the new focus on Reaganomics left the people of Appalachia in the same precarious economic situation they had been in for decades. The ARC barely survived the Reagan administration, but has continued to work in the region to this day. The landownership report provided information that could've brought pivotal economic support to the region through changes in land ownership policy and fixing inequities in the tax structure, but in the end the report was unable to bring about major change and fell victim to bad timing.

Environmental Effects of Big Business

The environmental effects of these extractive industries operating in the region became very apparent as time went on. Mechanization had increased overall mining activities, and the resulting degradation to the environment was moving with it. Mountaineers who had been historically characterized as neat and cleanly, were now living in deplorable conditions due to the treatment of the land around them by the corporations. Coal mining communities had to deal with soot covering everything, from the workers themselves to the homes they lived in, as well as a variety of serious environmental issues. Corporations claimed to be developing new mining techniques through mechanization and expansion, but this was often a guise which correlated corporate development to economic development. (Eller, 167) The truth behind this "development" was as these companies continued to expand operations, the balance of political and economic power in the region continued to tilt towards the corporations favor. "In Appalachia, exploitation goes hidden under the rhetoric of economic development. People are forced out of their homes and from

their farms because it is more profitable to let mud slide in living rooms and across cornfields than it is to mine with care. Little thought is given to the farmlands which would have fed families for generations to come. People find that there are not jobs in the mountains because a cheap and ruthless method of mining requires few laborers. People are forced to take mining jobs which destroy their homes and the entire economic base of the region, or else move away to migrant cities. Miners are injured and die because it is more profitable to mine coal in unsafe conditions than it is to run safe mines.” (Wartzman,1989)

The people of Appalachia were now having to worry about their lives as a result of the environmental disasters caused by extractive industries. Floods, mudslides and an array of other issues became a part of life within the region. As the region’s environment was already in danger due to the negligent practices of corporations, new extraction methods came about with advancements in mechanization. These new methods such as mountaintop removal and strip mining allowed corporations to remove an immense amount of mountainous land without having to blast into mountains and at the same time decreasing the amount of human capital needed for the jobs. Strip mining is a mining method in which minerals are extracted from the ground through the removal of the top layer of soil. Mountaintop removal is essentially this same concept but applied to larger, more mountainous areas. The removal process is extremely destructive to the environment. Since the start of this practice in America, over two-thousand miles of streams and an area the size of Delaware have been permanently destroyed in the Appalachian region. (Appalachian Voices) This form of removal involves dumping

mountain top rubble into neighboring valleys so that extractive work can be done.

When this movement is done, it isn't uncommon for the rubble to make its way into the headwaters of many streams and rivers. This exposed rock then leaks heavy metals and other toxics into the water which poses an enormous health risk to the communities around these water ways. This change in water quality can directly kill and disrupt entire life cycles of many aquatic species found in the region.

(Appalachian Voices) Mountaintop removal is also known to cause massive flooding and mudslides as a result of disrupted and buried water ways. Though the increasingly negative impact that many extractive companies cause through the methods in which they mine are known to scholars and politicians, these methods of mining remain legal.

Corporations have been searching for loopholes around environmental regulations for decades as well as providing financial support for many lobbyists and politicians that lean in their favor. Many earlier attempts at regulating strip mining and mountaintop removal were either largely unsuccessful due to a lack of enforcement or rescinded policy in later years. (Spencer) While advocacy groups worked to combat the un-ethical behavior of large corporations in the region, the economic and political power structure that had developed over decades proved to be too powerful for any impactful and permanent change in mining methods.

Appalachian residents were and currently still deal with corporations polluting water ways and creating environmental conditions that lead to increased levels of cancer and variety of other serious diseases. The people of Appalachia have a historical

basis to be fearful of their lives, solely due to a dangerous environment produced by the extractive industries themselves.

It was not uncommon for the subsequent mudslides and floods caused by careless corporations to take lives within the region. The lack of proper drainage caused by the burial of natural water ways put many areas at risk when heavy rain accumulated within valleys. There are several examples of disasters such as these, but one that best summarizes the treatment of the Appalachian land and its inhabitants is the Buffalo Creek Flood of 1972. (Erikson, 115) Pittston Coal Company had been operating in the area for years and had built three dams in an attempt to keep back the accumulating water that was a resulting from mining operations. While the third dam had just been deemed satisfactory by a federal mine inspector days before, the subsequent rain in the days following proved to be too much and burst the dam on the morning of February 26th. What followed was a horrific flow of 132 million gallons of waste water which swallowed the small communities built around the river. 125 people were killed, 1,121 were injured and over four thousand were left homeless. In the days following, the disaster was handled in a disgusting manner by the Pittston Corporation. The small communities along the creek were part of what was a de facto company town for Pittston with many residents being directly involved with the operations of the company. Instead of immediately sending support, the company essentially waited for the state and federal government to show up and handle the issue. Residents that worked for the company were recorded as to saying they hadn't seen a single representative from Pittston in the days following the flood, while many of the citizens that survived were

living in the woods waiting on someone to help them. (Erikson, 209) The following months saw the Pittston Corporation working to mitigate lawsuit potentials instead of focusing on how to help the very people who worked for them. The corporation even ignored direct responsibility for the disaster, blaming the flood as an act of god in its official legal filings. This decision to blame the accident on god was unbelievably negligent and showed the true legal and political power of coal companies of the time. Even after a severe manmade disaster in which many were killed and thousands were permanently psychologically altered, the corporation responsible was still pushing the blame away from itself. (Erikson, 248) The overall environmental degradation caused by extractive companies like Piston, melts into the bigger picture of the absolute control industry has over the Appalachian region.

Conclusion

Current Issues in Appalachia

The current conditions of the Appalachian region aren't up to national standards in many areas, but the people of the region have made significant progress since the establishment of the Appalachian Regional Commission. The statistics that came from the commission's 2016 report show that three times the amount of Appalachian citizens are attending a four year university when compared to the average amount attending in the 1960s. (ARC) The poverty gap between Appalachia and the rest of the country has significantly decreased since the 1960's and is only two percentage points higher than the national average. Access to different regional and local areas is continuously being developed to better connect

part of Appalachia to the Interstate Highway System. (Drew) Research has also shown that counties that had received ARC investment since the 1960's had higher average employment growth and income growth. "Researchers did find that county employment and income levels in the region grew faster than a control group of similar counties elsewhere in the country. Over the 50-year period, counties that received ARC investment averaged 4.2 percent higher employment growth and 5.5 percent higher per capita income growth than the control-group counties." (Drew) If the ARC wasn't ignored by some Presidential administrations throughout our nation's political history, growth could've been related in more counties within the region. The fact that the Appalachian region is growing in areas concerning education levels and poverty reduction is a positive sign for the future of the region. Increasing education levels among the populous will lead to better jobs and less people living in poverty.

While the region has seen positive growth in vital areas, Appalachia and its people still face serious issues. Healthcare is getting better but too many people in the region still lack access to basic medical care such as dentists and hospitals. The people of Appalachia have seen economic growth over the past few decades, but the infrastructure of many towns is still severely lacking and shows that the local economies of these areas still have a long way to recover. "Local clinics are understaffed and forced to operate irregular hours and without basic supplies. Residents, describing their clinics as little more than first-aid stations, explained that for life-threatening and chronic problems, hospital emergency rooms were their only

source of care. Untreated health problems like diabetes, tooth decay, mental illness, obesity, and other manageable conditions are of epidemic proportions.” (Spencer)

Other health related issues such as addiction are becoming increasingly prevalent in many Appalachian states with the opioid crisis ravaging family structures and ruining lives. States like Kentucky have double the national overdose death rate, with doctors massively overprescribing patients and thus creating a direct pathway to addiction. “In 2015, Kentucky providers wrote 97 opioid prescriptions per 100 persons. In the same year, the average U.S. rate was 70 opioid prescriptions per 100 persons.” (NIDA) Overprescribing opiates is bringing entire communities to their knees with people overdosing every day. As companies and doctors reduce the amount of opiates going through the healthcare system, many of those who are already addicted will likely turn to heroin. The addiction cycle is brutal and is a serious issue that must be addressed nationally and within the Appalachian region.

Political issues are still ever present with Donald Trump’s administration attempting to cut funding to the Appalachian Regional Commission only to be saved by senate leader Mitch McConnell. The 2016 election saw heavy support for Trump coming from the region with thoughts of him being the political savior of the coal industry. Yet, since he was elected, the coal industry has still declined over the past few years, and on average the nation under the Trump administration has consumed less coal than under the Obama administration. (Jones) While clean energy is the way of the future and coal consumption must slow, this is an example of the Appalachian people putting their faith in a political leader, only to have that leader go back on their word and attempt to cut federal funding for the region. The political

situations that have arisen in the region since the 2016 election show that the days of politicians taking advantage of the Appalachian people are certainly not over.

Final Thoughts

Going into my research it was tough for me to give an explanation as to what could cause such long term impoverished conditions for the Appalachian region. It has become apparent that I had initially put too much faith into the political and economic systems of the United States. I assumed that there was no way that the United States government would allow for an area to become what is essentially a national sacrifice zone for the nation. (Scott, 31) This led me to the initial belief of leaning more towards the culture of poverty model when trying to explain what could cause the chronic poverty the region has seen and will continue to see for the foreseeable future. I was quick to judge the people of the region before looking at the system that could've created the economic landscape for such poverty in the first place.

Through examining the economic and political history of the region, it is not hard to see how chronic poverty can be directly established through poor political decisions, a capitalist economy, and a complete disregard for the local populous of an area. After reviewing the history, I began to lean towards to what was almost a mix of the structural and situational view of poverty. The structural poverty view argues that the poverty in an area can be understood with reference to political and economic characteristics of the society, rather than the characteristics of the poor. (Kerbo, 285) The situational view of poverty states that the poor may behave differently due to the fact that they are poor which continues to keep them within poverty, even though they aren't the cause of the poverty in the first place. (Kerbo,

284) While I lean more towards the structural view of poverty, I believe that the economic environment that the federal government and corporate interests have created within Appalachia make it much easier for people to give up and succumb to a lifestyle that keeps them within the grasp of poverty. From the initial invasion of absentee landowners, the introduction of the reliance on welfare through the scrip system of company towns and the consistent lies told by politicians to the people of Appalachia. There is a historical roadmap one can follow to see why Appalachia is still overwhelmingly impoverished.

Chronic poverty is an issue the Appalachian people face today and is one they must overcome for their future. While previous ARC statistics discussed in this paper show that the amount of Appalachian individuals in poverty is decreasing, the people of this region still have a long fight ahead of them. Whether it be continuing to fight the coal industry on issues like mountaintop removal, the plague of the opioid crisis or just having to overcome the substandard infrastructure that resulted from years of poor political decisions, the people of Appalachia must fight against the negative corporate and political powers still looking to take advantage of the land. It is however, also crucial for the people to overcome some of the situationally-induced cultural patterns that infect an area that poverty has had in its grasp for so many years. The people of Appalachia and the federal government must find a way to escape the structurally caused poverty through increased government intervention with the extractive industries in the region. Increased taxation with political legislation such as the carbon tax, could bring in financial resources while also maintaining that these corporations conduct business in the most environmentally friendly way

possible. Coal is a declining industry worldwide, the people of Appalachia should voice their concerns to bring renewable based industries into the region which could help fill the economic gap caused by the continuing decline of coal.

Overcoming the way of life poverty can create and continuing to fight against a system that has done so much wrong to an area, will show that no poverty model created by social scientists can overcome the resilience of a demographic who has a long and proud history within our countries lifetime. The fight to end poverty is far from over, but ending the lifestyle that an impoverished area can create is a vital part to any sort of economic recovery the region could see in the future. Individuals like J.D. Vance and his book *Hillbilly Elegy: A Memoir of a Family and a Culture in Crisis* show that it is possible to be born in the heart of Appalachia and end up a graduate from Yale Law School. Stories like these should spark hope in the hearts of young Appalachian citizens. The conditions that you are born into, do not dictate the outcome of your life. Shifting the collective thought of the region to this mindset combined with an increased focus by our federal government on fixing what has become a national sacrifice zone, will in time create a new foundation to put the region on track to eradicate the high levels of poverty seen within what I hope could be my generation's lifetime.

References

Ansbery, and Wartzman. "State of Despair: West Virginia Mired in Poverty." 1989.

"Appalachian Wood." *Appalachian Forest*

www.appalachianwood.org/forestry/appalachian.htm.

ARC: "A Data Overview from the 2012-2016 American Community Survey" Chartbook ."-

Appalachian Regional Commission,

www.arc.gov/assets/research_reports/DataOverviewfrom2012to2016ACS.pdf.

Caudill, Harry M. *Night Comes to the Cumberlands: a Biography of a Depressed Area*. An Atlantic Monthly Press Book, Little, Brown and Company, 2017.

"Coal Mining Appalachia: Southern U.S.A Culture, History & Travel." *The Moonlit Road.com*,

5 Feb. 2017, www.themoonlitroad.com/coal-mining-appalachia/.

Drew, Jonathan. "Appalachia Update: Progress, Chronic Woes after 50 Years." *The Seattle*

Times, The Seattle Times Company, 22 Feb. 2015,

www.seattletimes.com/news/appalachia-update-progress-chronic-woes-after-50-years/.

"Ecological Impacts of Mountaintop Removal > Appalachian Voices." *Appalachian Voices*,

appvoices.org/end-mountaintop-removal/ecology/.

Eller, Ronald D. *Uneven Ground: Appalachia since 1945*. University Press of Kentucky,

2013.

Erikson, Kai. *Everything in Its Path: Destruction of Community in the Buffalo Creek Flood*.

Simon and Schuster, 2006.

- Eury, William. "Special Collections at Belk Library." *Guide to the Appalachian Land Ownership Survey Records, 1936-1985 | Special Collections at Belk Library*, collections.library.appstate.edu/findingaids/ac104.
- Fowler, Author. "How the Civil War Influenced Appalachia." *Intro to Appalachian Studies More than Hillbillies and Moonshine*, blogs.lt.vt.edu/annafowler/2016/09/13/how-the-civil-war-influenced-appalachia/.
- Government of New Brunswick, Canada. "What Is Poverty?" *Economic and Social Inclusion Corporation*, 25 Nov. 2010, www2.gnb.ca/content/gnb/en/departments/esic/overview/content/what_is_poverty.html.
- Green, James R. *The Devil Is Here in These Hills: West Virginias Coal Miners and Their Battle for Freedom*. Grove Press, 2016.
- "How Is Poverty Measured in the United States?" *UC Davis Center for Poverty Research*, poverty.ucdavis.edu/faq/how-poverty-measured-united-states.
- "Immigrants in the Coalfields." *University of Kentucky Libraries*, 18 Mar. 2014, iia.uky.edu/immigrantsinthecoalfields.
- Jones, Chuck. "Trump's U.S. Coal Consumption Is Less Than Obama's." *Forbes*, Forbes Magazine, 20 Jan. 2019, www.forbes.com/sites/chuckjones/2019/01/01/trumps-u-s-coal-consumption-is-less-than-obamas/#3015e4ed5fa8.
- Kerbo, Harold R. *Social Stratification and Inequality*. McGraw-Hill, 2008.
- Lewis, Oscar. *Five Families Mexican Case Studies in the Culture of Poverty*. Basic Books.
- Marger, Martin. *Social Inequality: Patterns and Processes*. McGraw-Hill, a Business Unit of The McGraw-Hill Companies, Inc., 2014.

- Matthews, Dylan. "Everything You Need to Know about the War on Poverty." *The Washington Post*, WP Company, 8 Jan. 2014, www.washingtonpost.com/news/wonk/wp/2014/01/08/everything-you-need-to-know-about-the-war-on-poverty/?utm_term=.c9fc1f450910.
- National Institute on Drug Abuse. "Kentucky Opioid Summary." *NIDA*, 28 Feb. 2018, www.drugabuse.gov/opioid-summaries-by-state/kentucky-opioid-summary.
- "Owning the Mountains: Appalachia's History of Corporate Control > Appalachian Voices." *Appalachian Voices*, 18 Mar. 2016, appvoices.org/2016/02/18/corporate-land-ownership-appalachia/.
- Pudup, Mary Beth, et al. *Appalachia in the Making: the Mountain South in the Nineteenth Century*. University of North Carolina Press, 1995.
- Romer, Paul. "The Origins of Endogenous Growth." *A Macroeconomics Reader*, 1997, doi:10.4324/9780203443965.ch26.
- Schwartzman, Paul. "They Were Kentucky's Poorest, Most Desperate People. And He Was a Kennedy with an Entourage." *The Washington Post*, WP Company, 21 Feb. 2018, www.washingtonpost.com/news/retropolis/wp/2018/02/21/they-were-kentuckys-poorest-most-desperate-people-and-he-was-a-kennedy-with-an-entourage-and-presidential-aspirations/?noredirect=on&utm_term=.9f4d63493506.
- Scott, Rebecca R. *Removing Mountains: Extracting Nature and Identity in the Appalachian Coalfields*. University of Minnesota Press, 2010.
- Spencer, Naomi. "The Social Crisis in Appalachia." *The Social Crisis in Appalachia*, World Socialist Web Site Wsws.org Published by the International Committee of the Fourth International (ICFI), 22 July 2010, www.wsws.org/en/articles/2010/07/appa-j22.html.

US Census Bureau. "Census.gov." *Census.gov*, www.census.gov/.

UNESCO. *Poverty* | *United Nations Educational, Scientific and Cultural Organization*, www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/glossary/poverty/.

Vance, J. D. *Hillbilly Elegy: a Memoir of a Family and Culture in Crisis*. Harper, an Imprint of HarperCollinsPublishers, 2018.

Weller, Jack E. *Yesterdays People: Life in Contemporary Appalachia*. University Press of Kentucky, 1995.