



reporter

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Toward Hmong Self-Sufficiency:

The Challenge of Economic Development for the Hmong

by Simon M. Fass



Between 1976 and 1980, 60,000 Hmong came to the United States from the highlands of Laos. By mid-1983 the economic status of the Hmong remained poor. Between 45 and 55 percent of household heads were still without work, suggesting an overall unemployment rate of 60 to 65 percent, and 65 percent of all families, almost 8,000, were still receiving some form of public assistance.

In response to their economic predicament, Hmong and Americans have searched for innovative ways to generate income. These have included sewing, farming, and small business development, as well as creative job placement programs. As part of a recent nationwide study assessing the Hmong resettlement experience in the United States,* these economic development projects throughout the country were examined in detail. There were in mid-1983 seventy-eight projects, touching the lives of some 2,500 families, or 25 percent of the Hmong population (see Table 1).

Over half of the ventures were concentrated in California (twenty-one projects) and Minnesota (seventeen projects), corresponding to the distribution of the Hmong population itself. With the exception of Wisconsin (six projects) and Oregon (four), the remaining ventures were scattered thinly across another eighteen states.

The study of Hmong economic development projects was conducted over a seventeen month period (October 1982 through February 1984). With the help of the Lao Family Community, Inc., in Santa Ana, California, a comprehensive list was compiled of all Hmong development projects across the country and, in addition, a selected list was assembled of innovative employment projects. Information was gathered about all the projects, and eighteen development projects

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and four employment projects were chosen for in-depth study. The information collected represents the projects' situation as of September 1983. The study presents a broad range of project and enterprise types that are representative of the variety of means that Hmong and Americans are using to promote Hmong economic self-sufficiency.

Sewing Projects

Beginning with two ventures in 1978, the number of Hmong sewing projects in the United States rose to twenty-eight by 1983. Over 2,300 women, about 80 percent of whom are Hmong, presently derive income from these projects, which generate annual sales of over \$700,000.

American women initiated most of the projects. The projects were viewed primarily as a way to preserve unique ethnic art or as a way to help refugee women adjust to life in the United States, by helping them to feel that their craft-making skills had intrinsic value that Americans would appreciate. As Hmong men's difficulties in securing employment grew evident after 1981, project participants found themselves under growing pressure to expand their contribution to family income.

Responses to the pressure followed three strategies for increasing earnings. The first was to emphasize marketing of traditional crafts produced at home or imported from relatives in Thailand. Advertising and participation in street fairs, church bazaars, and gallery displays expanded sales. But while a few women succeeded in earning \$3,000 a year or more, the vast majority earned only a fraction of this, less than \$75 a year.

To address the needs of these women, as well as to expand sales in general, a second strategy focused on design, production, and marketing of inexpensive utilitarian items such as belts, aprons, eyeglass cases, totebags, skirts, and potholders. These items included ethnic Hmong motifs as part of their design. Some products did not sell. Others, like the eyeglass cases, became quite successful. Earnings remained low, averaging \$240 per year per woman, but this constituted a sizeable increase for those unable to market the traditional craftwork.

The third strategy focused on training women in commercial sewing skills, dress-making and tailoring, and then marketing their services for such things as contract alterations. Initial results from the handful of projects that pursued this approach have been promising, with individual monthly earnings of \$100 to \$200 not uncommon.

Cover photo: Hmong working in the fields in Farmington, Minnesota are part of a farming project sponsored by the University of Minnesota Agricultural Extension Service and Lao Family Community.

Table 1. GROWTH IN HMONG ECONOMIC DEVELOPMENT PROJECTS IN THE UNITED STATES

Year	Sewing	Farming	Grocery Stores	Other Enterprises	Total
1979	2	—	—	—	2
1980	8	—	1	1	10
1981	14	—	12	3	29
1982	23	9	27	9	68
1983	28	11	28	11	78

In implementing these strategies the sewing projects had to overcome many difficulties. Some refugees were afraid of failure and unenthusiastic about changing their traditional methods of craftwork. Americans with ethnic art and social service backgrounds found themselves ill-prepared to transform socio-cultural projects into what were essentially small businesses. They did not have prior experience with market assessment of new products or methods of marketing. Moreover, most of the projects were underfinanced. After paying the refugees 60 to 80 percent of the value of sales, little was left over to finance new product lines, advertise, or acquire sewing machines.

Eleven of the twenty-eight ventures secured some external funding and fared better than projects entirely dependent on internal resources. Externally supported projects with resources to pay for full-time managers, materials and equipment, marketing expenses, and training stipends generated five times more in sales and two-and-a-half times more in refugee income than the others. This amounted to an average of \$303 per woman per year as opposed to \$117 in the all-volunteer run programs. These better-endowed projects were not, however, financially viable. In all but two cases, expenses exceeded revenues. Preliminary indications nevertheless suggest that outside support, in terms of funds and staff with business experience, could make a significant difference to refugee income.

Farming Projects

Hmong families began gardening soon after their arrival, and in almost every community they had at least one season of growing vegetables for family consumption. Often the families were helped by agricultural extension services, community organizations, and self-help associations. The gardens provided households with in kind incomes of \$100 to \$700 in food costs savings each season.

Pressure to secure alternative sources of income and Hmong success at producing

crops led Americans and refugees to initiate eleven major farming projects in five states. By the end of 1983, 230 households were involved, with plans to add another 70 to 80 within two or three years.

Project characteristics varied considerably. Participants ranged from three to sixty families, farm size from 5 to 1,300 acres, and initial investment from \$7,000 to \$425,000. In general, these projects pursued one of two goals.

Some tried to create a financially viable source of secondary income: a seasonal venture on rented land to provide wage income for unemployed adults, unemployable women and elders, and out-of-school children. One project in Iowa collected \$16,000 from private foundations in 1982 and launched sixty families into commercial farming on fifteen acres. It generated an average income of \$200 per family, but lost \$12,000. The project expanded to twenty-five acres in 1983, diversified its production, and yielded \$400 per family. Funds were set aside to begin again in 1984 without the need this time to rely extensively on outside support.

Other projects tried to provide complete self-sufficiency. A twenty-two acre venture in Washington used almost \$90,000 in 1982 to generate \$13,000, or \$1,100 each for a dozen participating families. In 1983, after infusion of another \$70,000, it yielded \$46,000 in sales, and \$3,000 per family in net earnings. Income goals for 1984 call for \$9,000 per family.

Another scheme—a four-year, \$6 million effort for up to ninety families—was organized by the Minnesota Agricultural Extension Service. It began in 1983 with an initial investment of \$472,000. The project successfully produced over \$200,000 in crops, but could harvest and sell only \$70,000. Among other factors, communication difficulties between Americans and refugees prevented the Hmong from providing enough field labor to complete the harvesting.

Experiences in the Iowa, Washington, and Minnesota projects were typical and seemed to dampen the original enthusiasm about agriculture as a rapid means toward

self-sufficiency. Participants learned that commercial agriculture was a more formidable challenge than consumption-oriented vegetable gardening. To greater or lesser extents the projects had to overcome constraints imposed by inadequate knowledge of commercial farming practices, insufficient financial resources, lack of contacts with neighboring farmers or extension agents, absence of marketing channels, communication breakdowns, weaknesses in financial planning and organizational management,

problems in community relations, and administrative complications arising from the status of refugees as welfare clients.

In most cases, the constraints proved surmountable, and the experience of the initial seasons served to improve subsequent performance. One project, in southern Minnesota, didn't survive the problems that were typical of all these projects. Generally, participants in the farming projects believed that they would ultimately prove successful. This belief spread, and twelve new projects

in eight more states began in 1984.

As with sewing, none of the farming projects are old enough to warrant judgments about their effectiveness in promoting self-sufficiency. Rather, the ventures serve to point efforts in a certain direction, particularly assisting families whose adult members cannot easily find work in the regular job market.

Small Businesses

Hmong entrepreneurship has grown slowly. The number of grocery stores climbed from one in 1980 to over thirty in 1984, but other business ventures have tended to fail or stagnate more often than they have succeeded. Fifteen starts since 1980 yielded only two clear instances of success by 1984.

Most Hmong grocery stores are food-buying cooperatives established with pooled personal savings from employed clan leaders and smaller contributions from the other clan members. Typically the effort is led by a Hmong resettlement worker or a younger community leader. Besides providing families with oriental foodstuffs at lower prices, cooperatives serve as social gathering places, as symbols of community cooperation, and, at least in theory, as sources of financial return on community investment.

Sixteen stores that functioned as cooperatives in 1983 started with average investments of \$20,000 and generated gross monthly sales of \$5,400. Narrow operating margins permitted only six to offer paid employment, and five managed to generate small profits. The stores' contribution to self-sufficiency, therefore, took the form of providing families with food staples that could be purchased at close to wholesale prices, and increasingly after 1982 of providing outlets for produce from gardens and farm projects.

The profit-oriented grocery stores were capitalized from personal savings of employed refugees and their relatives. These stores began with investments 50 percent higher than the cooperatives and had monthly sales four times higher. They employ more people and usually yield profits. The more viable status of these stores has resulted from a variety of factors, including the prior experience of their owners in working for other businesses, their higher education levels, and their placing of profitability above community service.

Other types of businesses in operation in 1983 were either embryonic or stagnant. The embryos included a community credit unit, a bakery, and a woodcrafts enterprise established with the help of two Rotary Clubs. The stagnant operations, sluggish in their ability to establish themselves as viable businesses, included a jeweler, a housecleaning service, a stuffed animal subcontractor, a supermarket, and a videotape store and movie theater. Earlier ventures no longer in operation included a restaurant, an auto repair shop, a medical equipment subcontractor, a fishing gear subcontractor, and a jewelry store.



Mai Vu Cha completes a wall hanging that will be for sale at Hmong Handwork, 1658 Grand Avenue, St. Paul.



Doua Vang, cashier, and Lu Lee Yang, store manager, unload rice at the M.A. Food Store, 694 Rice St., St. Paul.

One success story began in 1981 when six Hmong pooled \$80,000 in personal and borrowed funds to open a restaurant in Michigan. They opened a second facility in Ohio in 1983 with another \$60,000. By 1984 the two units employed eighteen people, and were training more for a third outlet under construction in Michigan. Another success is a security guard service in Los Angeles that began with a \$350,000 loan to a Hmong accountant by American friends in 1981. The service came to within a week of bankruptcy in 1982 and then expanded rapidly. By 1984 they were employing fifty-five people and planning expansion to another state.

Five stores and other businesses received informal assistance from American or other refugee business people. Most others have sought advice from agencies like the Small Business Administration, but have failed to receive concrete help. As in the other types of projects, entrepreneurs have moved ahead at a pace dictated by the speed with which they can learn from experience about how businesses operate.

Employment Projects

Although a few Hmong may benefit from the sewing, farming, and business projects in the near future, most will continue to depend for their self-sufficiency on employment services that provide job training, develop-

ment, placement, and counseling. These services have not helped the Hmong as well as they have others. Placement of people who are completely illiterate and who have no formal work histories of any kind is difficult under the best of circumstances, and placement services have not faced this kind of problem in recent memory.

Most people find work through personal contacts. As more Hmong hold jobs and develop reputations as reliable employees, they will be able to help family and friends to find work, and then counsel them about their jobs if necessary. Present efforts of public and private agencies in placement and counseling are temporary means to assist the Hmong in gaining footholds in local job markets. Most placement programs do not yet have the contacts in the job market that would be useful in assisting Hmong to find steady employment. Some placement programs, however, highlight the potential of innovative approaches to improving employment service effectiveness.

In Minnesota, for example, the Department of Public Welfare awarded a contract to a church-affiliated refugee sponsorship organization to provide placement services to Hmong and other refugees in the southern part of the state. The project works through a staff of eight Americans and refugees and a support network of seventy volunteers directly affiliated with 100 churches and indirectly linked to another 900. Besides being

able to connect with a large number of church-going employers, the program assumes that every Hmong has a remunerable skill. The problem is to identify the skill and then match it with an employer. They also counsel Hmong with respect to work practices on the job and assist employers in adjusting to new kinds of workers. During 1982-83 the project placed 510 refugees, mostly Hmong, at a cost of \$270 per placement. Typical public and private agency costs in the state for that same period ranged from \$600 to \$1200 per refugee placement.

Hmong in Missoula, Montana had high unemployment in 1982 due to the recession. Working with a social service agency, a self-help association searched for job openings in Billings, 350 miles away, where the local economy was expanding. The difficulty was in convincing Hmong to leave the protection of an established refugee community to become pioneers in a new area. The start was slow, but as the Billings Hmong community grew, others followed more readily. In one year thirty-five families moved to take seventy jobs at a cost of \$570 per placement, including subsidization of moving expenses. About 80 percent of the families who moved were self-sufficient at the end of 1983.

Focusing on the need to help Hmong become accustomed to the culture of the American work environment, a project in Seattle, Washington combined on-the-job ac-

culturation with house cleaning and lawn care work, and then placed "graduates" in regular jobs. The program, originally organized by a church, is now an independent non-profit corporation. Attention to the stresses imposed by work environments, a major impediment to Hmong employment, has helped refugees to retain their jobs. Organization of the project as a service business kept net project costs to \$850 per placement in 1983 — about 25 percent less than the cost of other training-placement efforts in the state.

Corporate leaders have collaborated with media and service organizations in Milwaukee, Wisconsin to open the door for refugee employment. Their program is aimed at raising the consciousness of business people concerning the benefits of hiring refugees. The word was spread that promotion of the American work ethic and profits are well served by hiring workers who are willing to labor diligently at the minimum wage. Business managers, convinced by this argument, instructed their personnel departments to open doors to Hmong and to help them adjust to the workplace. The project generated 140 jobs in 1982 at an out-of-pocket cost of \$21 per placement to the business people involved.

At their current levels of effort, these four employment programs have the capacity to place 780 refugees a year at a weighted cost of about \$300 per placement (Table 2). The cost is an underestimate because it neglects integral components like the expenditures incurred by agencies working with the Wisconsin program, but even at \$500 per placement the effectiveness of these programs is evident. At minimum wages and assuming full-time employment, the programs have the capacity to pump over \$5.7 million into the Hmong community's economy — providing a consumer base for Hmong businesses and savings for investment in more businesses, sewing ventures, and farms. The short-term impact is larger than the combined effect of all the projects and businesses discussed earlier.

The current evidence suggests that discounting the value of employment programs with respect to self-sufficiency may be pre-

mature. The limited overall success of employment programs in general should provide a base for attempting new and novel variations of urban and rural training, placement, and follow-through services adapted from experience to the particular circumstances of the Hmong. The four programs described here provide tangible examples of what is possible.

Conclusion

Write large, the challenge of Hmong self-sufficiency is the challenge of economic development. While many of the efforts described here appear to be generating useful results, most of them are constrained by the need for a clearer understanding, by the individuals and organizations concerned, of the logic and practice of economic development.

One principle of economic development that does not seem to be widely understood is the importance of material gain. Within prescribed limits, development does not concern itself with how gain is achieved, so long as it is achieved. No particular approach is sacrosanct and any combination will do. Nothing, for example, should constrain a Hmong family from earning \$7,500 by having one adult at full-time work, \$1,000 from having elders and children working in a gardening venture, \$500 from sale of home-produced crafts, \$2,000 from part-time factory employment, and perhaps \$1,000 from home dressmaking and alterations. There are many ways to accumulate \$12,000, and the essential strategy of development demands simultaneous promotion of all these ways to maximize opportunities for families to take advantage of them.

A second principle is that of managing scarce resources. Some projects have been able to secure extraordinary public and private support, but this is rare. In most Hmong undertakings every dollar was hard to come by, and should therefore be used in a way that permits gradual accumulation of funds to reinvest in larger or more diversified activities to benefit an increasing number of people.

A third principle is that economic development is a continuous process in which

each step taken now yields possibilities for more steps later. The first step is always the most difficult because it is new; people involved in the process have precious little experience to draw from. In 1980 there were few ventures like those described here and employment programs were just beginning to adapt to the Hmong. Three years of hindsight and experience represent only a short time span, but they do permit preliminary understanding of relative strengths and weaknesses, and form a brief history of lessons learned that may be applied toward further improvement. The measure of progress is not based on comparisons with performance by other groups, but on comparison with past performance on behalf of Hmong.

A fourth and related principle, perhaps the most important, is human resource capabilities. Development depends on the characteristics of the individuals assigned to the task, both the benefactors and the beneficiaries. The more significant aspect is not original characteristics at the start of the process. It is the rapidity with which the characteristics change in response to experience to make each new step more effective than the last. Individuals who cannot learn, who cannot adapt, or who become easily frustrated make bad project proponents and participants.

In this regard it is important to highlight the welfare system and its relationship to Hmong self-sufficiency because in project after project welfare administrators have been accused of being obstacles rather than facilitators of development efforts. Examples abound of caseworkers telling clients not to take jobs because total family income might fall as a result; or of families dutifully reporting on tax statements income derived from sewing, gardening, and store operations and then actually losing benefits; or of resettlement officers selecting inappropriate Hmong for projects because they were the Hmong eligible under various categorical grant programs.

Many Hmong and Americans feel that resettlement should never have been placed under the jurisdiction of state welfare departments because their mandate to protect clients who have fallen through the cracks of the economic system is inconsistent with incentives and associated risk-taking behavior required in the fight for self-sufficiency. However convenient they may be as scapegoats, welfare administrators have in fact performed neither better nor worse than others in public and private organizations who have launched sewing, farming, or employment schemes. Agricultural agents, textile experts, or business consultants who have proffered useless advice warrant as much singling-out as administrators who were unable to do more than interpret regulations in one particular way. In fact, in a number of Hmong projects welfare administrators took major political and career risks in molding rules and regulations in order to meet development needs. It is not the "system" that matters so much as it is the ability of individuals in the system to seek creative interpre-

Table 2. SELECTED EMPLOYMENT PROJECT CHARACTERISTICS, 1983

Location	Year Initiated	Annual Cost	Rate of Placement	Cost Per Placement	Composition of Project
Minnesota	1981	\$138,000	510/yr.	\$ 270	Job development, placement, and counseling,
Montana	1981	40,000	70/yr.	570	Job development, migration, and placement.
Washington	1982	53,000	60/yr.	850	Training, job development, and placement.
Wisconsin	1982	3,000	140/yr.	21	Job development.

tation of what is, in reality, a labyrinth of complex rules that have more holes providing opportunities than obstacles preventing them. It may take a very long time before the welfare system in general adapts to economic development requirements for all Americans, but the challenge of Hmong self-sufficiency is helping the process along.

The matter of welfare introduces a fifth, and for present purposes, final principle: appropriate institutions. The foregoing has implied that federal, state, and local institutions are engaging in activities that are new, and that they are slowly learning the prerequisites of economic development. While most of the institutions and their employees have little comparable experience to rely on, it is not true that the United States is completely devoid of people and organizations who know a great deal about development.

A curious observation in the Hmong self-sufficiency efforts is that the federal government has not supported domestically what it supports overseas, and what it does overseas can be quite helpful for Hmong and other poor people here. One example is small business assistance. The Small Business Administration is gradually re-orienting itself to Hmong needs, but is severely handicapped by lack of personnel with experience in helping what are essentially "micro-businesses." The United States Agency for International Development (USAID) for several years has been financing and assisting exactly these types of enterprises, including sewing ventures, and a range of business types that Hmong have not yet even thought about. Similarly, the United States Department of Agriculture (USDA), in collaboration with USAID, has over many years recruited Americans to work overseas to improve traditional farming. Other public agencies like the Peace Corps and private voluntary organizations have also been active in establishing credit funds, marketing programs, training centers, and cooperative buying ventures.

The transferability of overseas experience to the United States has severe limits, but basic elements like understanding completely different cultures and working with extremely limited human and financial resources are definite assets, as is comprehension of the meaning of economic development. Nothing tried is nothing gained. The federal government would do well to promote collaborative possibilities between refugee resettlement agencies and foreign assistance agencies like USAID.

In summary, the Hmong self-sufficiency effort is proceeding apace, and since comparable experience is lacking, a retrospective assessment of whether it could have been more effective is unwarranted. The key to greater success in the future lies in Hmong and Americans who, in whatever public or private capacities they may be working, learn from their mistakes, capitalize on their strengths, and seek out new and novel ways to achieve self-sufficiency ends. Efforts made to date underscore the difficulties associated with these tasks. They also

provide a basis for optimism that the process, though far from ideal, is working.

Recent efforts of private and federal and state government agencies to bring together Hmong and Americans from projects around the country are yielding a network of experienced individuals who can assist each other over the course of time. Workshops in 1983 and 1984 brought participants of sewing and farming projects together with others who were planning new initiatives. A network of people involved in different projects is beginning to take shape.

This kind of process has historical antecedents in alliances formed, for example, by Polish and Jewish immigrant groups. Hmong may face greater obstacles than their predecessors in moving into the economic mainstream but similarities in the paths taken by earlier migrants and Hmong, and the help being extended by Americans, provide cause for optimism. Optimism en-

courages continued effort, and effort is the key to progress.

Simon M. Fass is Assistant Professor of Planning at the Hubert H. Humphrey Institute of Public Affairs, University of Minnesota. His research focuses on the process of urban and rural economic development in the United States and in other countries. This article presents in very brief form some of the data from a report prepared by him for the Office of Refugee Resettlement. His report (*The Hmong Resettlement Study, Volume II: Economic Development and Employment Projects*) will be published by the Office of Refugee Resettlement. To obtain a copy write to Toyo Biddle, Office of Refugee Resettlement; 330 C. Street, S.W.; Rm 1229, Switzer Building; Washington, D.C. 20201 or phone 202/245-1966.

Training in Co-op Development

CURA and the Northwest Area Foundation have created a joint internship and residency training program for University of Minnesota students at Common Space. A one year part-time internship supported by CURA is followed by a two year training program supported by the Northwest Area Foundation. Nancy Lee, a graduate student in business administration, is the first student to take advantage of the new program. She has just finished her internship and is beginning the residency training part of the program.

"The internship is very much my educational experience. Through finance classes and marketing classes I've been able to tie things back and forth from the academic reading material to what I'm actually doing here," Nancy notes. What she's been doing and will continue to do for at least the next

two years is learn how to develop housing that will be owned and controlled by its residents — cooperative housing.

Common Space is a non-profit housing development organization begun in 1977. Actually an umbrella organization, Common Space embraces some forty-six other organizations: residential cooperatives, a great number of non-profit organizations, and some development companies. "Our goal," Nancy explains, "is to provide affordable housing for low and moderate income households." Common Space does this in a variety of ways. Through legislative and lobbying functions they encourage laws and tax rules that will benefit cooperatives and other low income housing. Through their training and education department they teach people how to run cooperatives and cope with the kinds of problems that come up when

people are learning to do things together. Through their property management section they manage a number of properties in the Twin Cities area. And through their development program Common Space is expanding the number of cooperatives in operation in the Twin Cities area.

Nancy is involved in the development part of work at Common Space and has already worked in all phases of development: meeting with bankers and foundations to work out financing, assessing buildings that might be suitable for future projects, estimating rehabilitation expenses, serving as a liaison with contractors, coordinating development plans and efforts with residents, and marketing for specific projects and cooperatives in general. She works with Chip Halbach, director of development at Common Space.

This year, Nancy is concentrating her efforts on a new residential cooperative being created in St. Paul — Port St. Albans. The building, a vacated elementary school, is being rehabilitated and brought up to city codes. Marketing is in process to attract buyers who will be able to purchase a share in the cooperative through "share-loan financing." The project, underwritten by the Ford Foundation, is designed as a national model for this new and innovative type of financing.

Another new program at Common Space that Nancy is working on is the tenant conversion program — an attempt to encourage tenants in apartment buildings to become interested in creating cooperatives. "There are times when there is just too much to do here. I find that I could stay and stay and stay. I enjoy working with the people here and I enjoy working with the people out there, whom I'm trying to get housing forFor me a job is a much more rewarding and meaningful learning experience than just going to classes."

The internship and training program at Common space will be an ongoing opportunity. In her second year in the training program — a year from now — Nancy Lee will be working with a new CURA intern, passing on what she's learned about the highly specialized art of developing housing for low and moderate income people — housing that will be owned and controlled by them. Both CURA and the Northwest Area Foundation have made a long-term commitment to this way of training a new kind of housing professional.

Future City: Duluth Tomorrow

by William K. Miller

For some time, the Duluth Planning Commission, a diverse body of thirteen volunteer citizens, had been concerned that they were doing little but enforcing codes. It was out of this concern that the idea of a futures conference first emerged. They would bring together local, regional, and national experts to discuss the city's future with community decision-makers from both the public and private sectors. "Future City: Duluth Tomorrow" evolved into a series of six sessions held during 1983 that examined the demographics, economics, land-use, transportation, human services, and quality of life in Duluth.

Response to the idea of the series was outstanding. Several private businesses, Mayor John A. Fedo, and CURA helped to underwrite its costs. Once underway, the conferences were well received. An average of 120 leaders, from all walks of life, attended each session, with many more listening in on local public radio stations which carried the series "live." The sessions themselves were extensively covered in the local media, sparking no fewer than half a dozen editorials in Duluth's *News Tribune and Herald*.

The Myth of Prior Stability

Although Duluth may appear to be in a period of unprecedented change, this phenomenon is neither new nor recent, commented Luther P. Gerlach, University of Minnesota—Twin Cities anthropologist and keynote speaker for the conference series. There is a mythical notion of "prior stability" that makes communities strive for what they perceive as a stability enjoyed in eras past, he said, but in reality, we have always been, just as we are now, in a period of transition, of change. Communities that anticipate change and are flexible to adapt, will benefit from it, he added.

Demographics

The first conference featured a demographic profile of Duluth, presented by University of Minnesota—Duluth geographer and Duluth Planning Commission veteran Fred T. Witzig. Two trends were clearly evident. First, over the past two decades, Duluth as a whole has been losing population and second, there has also been an intra-city population shift.



The shift within the city has been from the older, western neighborhoods, which serve Duluth's industrial sector, to the hillside and eastern neighborhoods, which serve the central business and college districts. In addition, Witzig noted that surrounding townships have gained population during this period, and speculated that people are lured there from the city by more open space and lower taxes.

Witzig observed that steps have been taken to revitalize western business districts, but reflected that the same should be done for the neighborhoods. "Commercial plans are no good if the population base continues to erode." Individual area plans, he added, should be integrated into a comprehensive city plan, instead of proceeding with the piece-meal approach which has been the rule to date.

In reviewing the decline in Duluth's population, University of Minnesota—Twin Cities geographer John Borchert said Duluth's experience is neither onerous nor unique to Duluth. Borchert surveyed 220 metropolitan areas and found that 170 had experienced a population loss during the past few decades.

Economics

Much of Duluth's population decline can be related to economic problems, particularly those of the iron mining industry, which accounts for better than half the region's gross product. According to the University of Minnesota—Duluth economist Richard Lichty, this trend will continue for several years. By his projections, the number of jobs in northeast Minnesota (the seven-county Arrowhead region) will decline from a 1979 peak of 142,000 to under 90,000 by the turn of the century.

"But forecasts are only as good as the assumptions that go along with them," Lichty added, stressing that these trends can be stemmed or reversed. Among the bright prospects he cited as potentially helping the region were the growing medical care, education, and transportation (shipping) industries. Lichty said technological advancements that afford cheap and innovative uses for the region's natural resources (iron ore, copper, nickel, and peat) offer longer term hope.

University of Nebraska economist F. Charles Lamphear advised, on the other hand, that this region should concentrate on encouraging entrepreneurship and small business. "No matter how hard we try we're not going to reindustrialize this nation." The vast majority of new jobs today, he noted, come from small businesses and not from the Fortune 500 list.

Where should these entrepreneurs concentrate their efforts? Many, said University of Minnesota—Twin Cities agriculture economist Wilbur Maki, need look no farther than the Minneapolis-St. Paul area. The Twin Cities, Maki noted, are host to numerous growing industries, many of them in the "brainpower" sector, and many are now

purchasing their raw materials and supplies from as far away as the West Coast or the Orient. With Duluth a relative stone's throw away, Maki said there is no reason why this region cannot compete favorably with these out of state suppliers.

Land-Use

As attention shifted to one of Duluth's greatest assets, its land, the mood became distinctly more positive.

"You beat nine cities out of ten," said Robert Freilich, New York, and Missouri educator and lawyer and a leading authority on municipal planning and law. Freilich said he was excited about the possibilities for Duluth, something echoed by fellow speaker William H. Whyte, described by *Time* as "one of America's most astute observers of the urban scene."

With Lake Superior, the lake front, green belt ("one of the finest open-space systems I've seen," said Whyte), and well-preserved neighborhoods, Duluth hardly fits the image of a declining city, said Freilich and Whyte.

The third conference began with a land-use profile of Duluth, presented by City Planning Division Manager Gerald M. Kimball. Duluth, it was revealed, has about 15 percent of its total acreage set aside for public parks and playgrounds (see Figure 1), three times the average for a city of its size in the Midwest. On the other hand, Kimball noted that the city has less residentially developed land than is average (only 29 percent as compared with an average of 41 percent). And because of the sparse population of the surrounding area, light industrial and com-

mercial land is also below the average. Heavy industrial uses of land have been above average in Duluth, but the departure of such giants as U.S. Steel and Atlas Cement is changing that.

Looking ahead, Kimball predicted growing numbers of apartments, townhouses, and mobile homes in a city where single family homes now predominate. Energy considerations, he added, will also result in more integral neighborhoods, complete with neighborhood "Ma and Pa" stores. Kimball predicted that much of the city's future growth will occur along the waterfront and along the Miller Hill corridor, angling to the northwest out of downtown Duluth. Referring to this corridor, Freilich said it is clear that Duluth has not been immune to sprawl and only policies to contain it can guarantee successful revitalization of the downtown area.

For his part, Whyte observed that making the downtown more "congenial" will be a key factor in its rebirth. He suggested replacing on-street parking ("it's mostly long term anyway") with more "people spaces," benches, moveable furniture, water fountains, ledges, street vendors, and entertainers. This is a formula, Whyte noted, that has worked every place its been tried and, despite the winters, can work for Duluth as well.

Recurring again at the third conference was the call for a comprehensive city plan. Freilich said a comprehensive plan is essential in building coalitions in the city. But in this diverse community, warned Kimball, a strong citizen consensus will be needed before city administrators can undertake such a project.

Figure 1. DULUTH VS. THE REST: A Comparison of Land Uses in the Developed Area (in percents)

Land-Use	Duluth*	The Rest**
Single family residential	26.71	35.61
Two family residential	1.52	3.58
Multiple family residential	0.95	2.21
Commercial	1.72	2.90
Light industrial	1.05	2.36
Heavy industrial	5.47	3.48
Railroad property	7.92	5.39
Parks and playgrounds	14.87	5.68
Public and semipublic	11.52	11.22
Streets and alleys	28.27	27.57
	100.00	100.00

*Total Duluth city acreage	43,100.20	
Total developed area	17,214.58	(39.94%)
Forest preserves	9,247.64	(21.46%)
Vacant land	13,610.78	(31.58%)
Water areas	3,027.20	(7.02%)

** Average of seven central cities with populations between 100,000 and 250,000.

Data from the city of Duluth, City Planning Division.



Transportation and Human Services

In the following two conferences, attention shifted to transportation and human services issues. Minnesota AgriGrowth Council president Russel Schwandt said the agriculture industry has immense potential for growth and that Duluth stands to benefit greatly. "Everything is here," he observed, referring to Duluth's air, rail, road, and water transportation infrastructure. However, he added, federal policies that foster profitable agricultural exports will be essential if this

potential is to be realized.

In the human services it was noted that although city government spends just five dollars per capita each year, social welfare has become a \$20 million a year industry in Duluth. It is an industry that is likely to grow more in the years ahead as increases come in the number of single-person-headed households and in the number of citizens over age sixty-five. The elderly now account for 20 percent of the total population of Duluth.

Quality of Life

The August climax of Future City: Duluth Tomorrow looked at the city's quality of life. One of the visiting experts was David Savageau, co-author of *Places Rated Almanac*. Adding up a variety of factors, he said he would rank Duluth second among the 277 metropolitan areas they have studied as a place to educate and bring up children. Clearly, Savageau said, this is a selling point for the tax producing demographic groups every city is now trying to attract. Add in a low crime rate, excellent health care, mass transit, affordable housing and recreational facilities, and Duluth was ranked fifty-ninth overall, among the 277 rated cities (Figure 2). The only drawbacks concerned Duluth's economy and climate.

Savageau suggested that Duluth market itself more in the Midwest, where it is a better-known quantity. Most people outside the Midwest, he noted, have not heard of Duluth and those that have, have visions of a city by the Arctic.

To Savageau's list of Duluth's assets, noted syndicated columnist Neil Peirce added a spirited business community. With a true public-private partnership, he observed, there is no reason why Duluth cannot emulate Baltimore or Fort Wayne. Both are outstanding examples of cities that have "come back" after being doomed to die in the 1970s.

Figure 2. DULUTH'S QUALITY OF LIFE

Criterion	Duluth Ranking Among 42 Similar Size Cities	Duluth Ranking Among All 277 Cities*
Health services	1	8
Crime	5	25
Recreation	1	18
Education	7	73
Arts	9	116
Housing	16	83
Economics	40	256
Transportation	4	59
Climate and terrain	42	280**
All	4	59

* Standard Metropolitan Statistical Areas, which for Duluth include the cities of Duluth and Superior, and the counties of St. Louis and Douglas.

** Rank in order of 286 places surveyed for this criterion.

Based on rankings in *Places Rated Almanac*, by Richard Boyer and David Savageau, Copyright 1981 Rand McNally & Co.

What Now? One Year After Future City: Duluth Tomorrow

These conferences were never intended to provide answers to the many issues that Duluth must deal with. Rather, they were to

serve as the basis for educated decision-making by providing facts, figures, and trends. Much of the data from the conference was not necessarily new information, but when tied together and seen as a whole, many observers were caught by surprise.

A digest of ideas from Future City will soon be published* and, after more public opinion is fielded, will form the basis for recommendations the Planning Commission will make to the Duluth City Council. In the publication, numerous policy questions will be posed for public discussion.

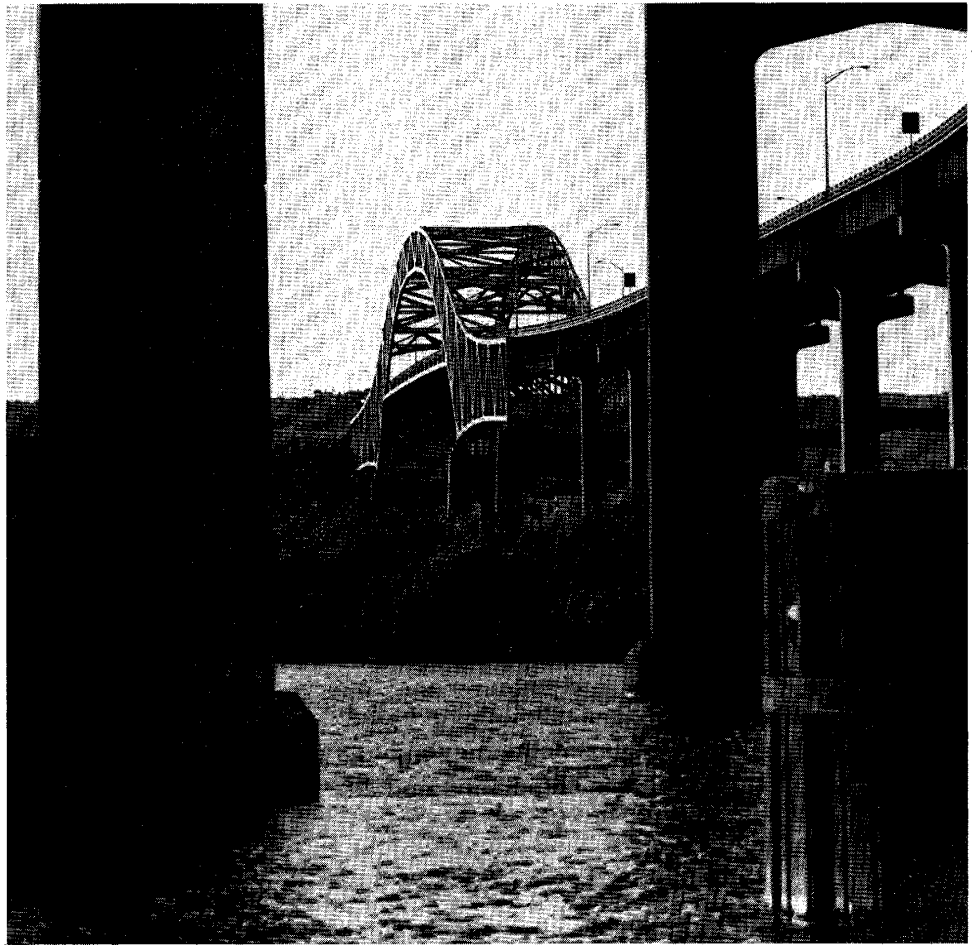
But even before this formalized process begins, it's clear that the conferences have already sparked a good deal of brain-storming and indeed some movement. The drafting of a comprehensive water resources management ordinance has been authorized. The ordinance is intended to preserve and put to optimal use a resource identified during the conferences as one of the city's most precious. The call for increased attention to entrepreneurship and small business has not gone unheeded. The newly-established Duluth New Business Cooperation Office has just made its first loan, to a fledgling garment manufacturer that employs over fifty people. The office has also provided other types of assistance to numerous small business pioneers. Some federal community development money has, in addition, been channeled into local venture capital pools.

Duluth Mayor John Fedo has announced the formation of five task forces on job development. Three will concern themselves with developing jobs in tourism, education, and health services—local industries that are growing. The other two groups will deal with general economic development and industrial development. Some two dozen business and labor leaders, educators, and other professionals have agreed to serve on these bodies, assuring a partnership between public and private sectors.

Future City: Duluth Tomorrow was a landmark inventory-taking for Duluth. It is now up to the people of Duluth to insure that this inventory is put to its maximum use. Working together, the citizens of Duluth can help insure that the same opportunities that attracted their parents and grandparents to this city will be here for future generations.

William K. Miller is Vice President of the Duluth City Planning Commission and Dean of Student Affairs at the College of St. Scholastica in Duluth. He has been active in Duluth civic affairs including membership on the Mayor's High Tech Education Task Force, the Mayor's Higher Education Advisory Committee, and the City Charter Commission. Miller chaired the committee that planned Future City: Duluth Tomorrow. He holds a master's degree from the University of Chicago.

*Copies may be ordered from the Duluth City Planning Department, 218/723-3328.



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