

STUDY TITLE: The Coastal Division of Industrial Labor Over Time and Space

REPORT TITLE: Sustainable Community in Oil and Gas Country: Final Report

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BACKGROUND: While analyzing the impact of the expansion and decline of oil and gas activity in coastal communities, researchers found that the city of Abbeville, Louisiana, did not show the typical patterns of income volatility associated with oil and gas development. This community is a city of 12,500 in coastal and rural Vermilion Parish about 20 miles inland from the Gulf of Mexico. Because the apparent sustainability of Abbeville could not be explained with existing data, a multi-method case study of Abbeville was conducted. One obvious explanation for Abbeville's resiliency is that Abbeville was not dependent on oil and gas and therefore not seriously affected by the expansion and contraction of oil and gas activity. However, data from various sources showed that employment in the oil and gas industries was similar to Louisiana parishes that exhibit high levels of oil and gas involvement. Unlike many others places, however, Abbeville did not exhibit the same economic ups and downs associated with the industry.

OBJECTIVES: This research project has two objectives: 1) a Gulf-wide study of coastal places that might derive resiliency from industrial diversity based in part on a thriving business service sector and 2) to serve as a follow-on community field study to

explore the extent to which oil and gas industry activity might compensate for the loss of the textile plant in the community.

DESCRIPTION: This research report describes two projects that focus on Abbeville in the late 1990s, a small town in rural Vermilion Parish in Southwestern Louisiana. Previous research on the social and economic consequence of the 1980s oil-price collapse had shown substantial variation among coastal Louisiana communities (Tolbert 1995). Despite Abbeville's heavy involvement with the petroleum industry, it appeared to be particularly resistant to the income volatility generally associated with periods of increasing and decreasing oil and gas development activities. The first of the two projects described in this report was conducted in 1997. The study found that Abbeville's resiliency reflects a historical and cultural legacy rooted in rich social resources, economic development, and a distinctive local industrial structure that enables it to weather economic disruptions. Findings suggested that, unlike most oil and gas dependent locations, Abbeville's industrial base is diverse. At the time, this industrial diversity was reflected in part by relatively large routine manufacturing, extractive (agriculture), and business and professional service sectors. The business and professional service sector was, and is, largely oil and gas related, but this sector is centered in offshore logistics and production which was less affected by price fluctuations than was exploration.

The second project is a community study that concluded in 1998, during a period of high offshore (deepwater) activity. However, Abbeville was experiencing a potentially huge negative socioeconomic shock from the closure of a Fruit of the Loom textile plant, which had employed as many as 1,100 local people. This second research project was designed as a follow-on community field study to explore the extent to which oil and gas industry activity might compensate for the loss of the textile plant, and as a Gulf-wide study of coastal places that might derive resiliency from industrial diversity based in part on a thriving business service sector.

SIGNIFICANT CONCLUSIONS: The findings of the first Abbeville research project provide insights into the social structures, economic structures, and socioeconomic processes that contribute to sustainable community development. These findings were used to identify additional Abbeville-like communities across the Gulf Coast by searching for a similar, distinctive brand of industrial diversity coupled with strong kinship networks and enduring social ties. The closing of the Fruit of the Loom plant sent shockwaves through the community. However, at the time, an expanding oil and gas industry helped offset a socioeconomic shock in this most interesting and resilient community.

STUDY RESULTS: Vermilion Parish had a Census 2000 population of about 53,000 persons. The Parish is very diverse geographically, composed of a northern coastal plain ideal for agriculture and southern coastal marshes. The only incorporated place of at least 10,000 residents is Abbeville (2000 population of almost 12,000). The town and its industrial district extension, Intracoastal City, are in the center of the parish on the

southernmost edge of the coastal plain. The vast majority of persons reside in the northern half of the parish.

Although Vermilion Parish was settled as part of the Acadian movement from Nova Scotia, it developed rather late in the migration episode. Abbeville was designated as a city in 1850 and so named because friars were seeking a location for a cathedral in the area south of Lafayette. This rather late start was significant since it did not permit Abbeville to develop a plantation economy. Instead, Vermilion Parish experienced a plethora of family farming enterprises on property received from Spanish land grants. Much of this land remains in the hands of a relatively few extended families, indicated by the few surnames in the area and the vast, dense complex of kinship groups. The French influence remains a hallmark of culture. A review of newspapers and historical materials indicated that the area remained largely isolated through the Second World War. The Acadian culture was dominant, and Abbeville was a low-income community. Articles and documents suggested that an in-migration of oil and gas workers in the post-war period lessened the area's isolation. But, today the community still has rich cultural traditions and strong social capital—rooted primarily in elaborate kinship networks--that buffer it through hard times.

Many oil and gas industry workers left the area during the industry downturn in the 1980s. However, persons with family ties stayed and gave up recreational activities and luxuries. Many people assumed second (and in some cases, third) jobs. Many women entered the labor market and contributed to a family income. Other people took advantage of the diversity of natural resources and recreational activities to earn extra income. The geography is so amenable to agriculture that there are few barriers to going into the farming business on one's family land. Vermilion is the leading beef cattle producing parish in Louisiana. Small-scale shrimpers got into the business by retrofitting recreational boats. In almost all cases, residents relied on social relationships and family ties, an important source of social and economic resources.

The plant closure study depicted community impacts that varied at the individual level by gender, race, and ethnicity. Because most of the displaced workers were female, virtually none of them found employment directly in the oil and gas industry. However, there were many signs that other household members' employment in oil and gas activities helped to sustain some displaced workers. More generally, the presence of oil and gas in the local economy added to the local industrial diversity and sustained the workers and the community through this tough episode. The project found a prevailing resiliency that enables Abbeville to sustain itself that has been identified only rarely in the annals of modern rural social science. The gulf-wide component of this study identified inventory of characteristics of vital communities that Abbeville shares with many communities in the Gulf of Mexico Region.

The vast majority of respondents attributed Abbeville's survival during the downturn of oil and gas activity to agriculture. Others mentioned that the city had actively recruited Fruit of the Loom which opened in 1990. The plant initially employed almost 1,000 people, 80 percent of whom lived in the parish. Parish and city officials in Abbeville (as

in most of Acadiana) had also begun to promote tourism. Abbeville is a quaint city, known for its seafood restaurants. None of these explanations were found to be particularly plausible. The Fruit of the Loom plant opened too late in the downturn episode to be of much help. Agriculture is an important source of diversity, but its effects were largely felt in the vast rural areas of the parish, not in the city of Abbeville. Tourist activity is sparse. The most likely macro explanation for local resilience is that Abbeville's industrial park is a staging area or center for logistics and operations for the oil and gas industry. The oil and gas downturn was largely a cessation in exploration, not production. The many offshore facilities already in production required ongoing servicing. The services are varied and range from administrative, financial, legal, medical, transportation, catering, suppliers, and so on. The importance of services in Abbeville contrasts with neighboring St. Mary and Iberia parishes that specialize in the oil and gas exploration or related activities such as rig fabrication. Tolbert (1995) shows those parishes were harder hit during the oil and gas downturn than Vermilion. Most rural areas have primarily consumer services. However, the Abbeville area service base is largely business and professional services, which are producer services. The producer service base is a major factor contributing to sustainability.

STUDY PRODUCT(S): Tolbert, C.M. II, ed. 2006. Sustainable community in oil and gas country: final report. U.S. Dept. of the Interior, Minerals Management Service, Gulf of Mexico OCS Region, New Orleans, LA. OCS Study MMS 2006-011. 71 pp.

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