

**STUDY TITLE:** Social and Economic Impacts of Outer Continental Shelf Activities on Individuals and Families

**REPORT TITLE:** Social and Economic Impacts of Outer Continental Shelf Activities on Individuals and Families. Volume I: Final Report, and Volume II: Case Studies of Morgan City and New Iberia, Louisiana

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**BACKGROUND:** Louisiana's coastal communities have been involved in the exploitation of oil and gas on the Outer Continental Shelf for more than 50 years and the last few years have been some of the more volatile in this long history. The MMS Science Advisory Committee, the National Research Council, and the 1992 Gulf of Mexico Agenda Setting Workshop all recommended that the MMS contract for a study of the effects of this industry on families and communities. In 1998, MMS sponsored this two-year study. In September, 1998, researchers from the Bureau of Applied Research in Anthropology, University of Arizona, commenced fieldwork. The research focused on two communities in southern Louisiana that have been heavily involved in oil and gas exploration, production, and support services on the OCS, New Iberia and Morgan City.

**OBJECTIVES:** The purpose of this study was to examine the nature of OCS-related work and its impacts on the lifestyles of individuals and families and on the communities in which they live. This study was conducted within two parishes of Acadiana, a 22-

parish area in southern Louisiana named for the immigrants from Acadia in Nova Scotia who settled there in the mid-1700's. Though southern Louisiana residents trace their origins to numerous groups besides the Acadians, Cajun often becomes a gloss for local white residents. In contemporary Louisiana, many other ethnic groups, including Vietnamese, Laotians, African Americans, Cubans, Mexicans, and Houma and Chitimacha Indians, are represented in both the oil and gas industry and in the communities of the region. The study focused on two communities, Morgan City and New Iberia.

New Iberia and Morgan City were selected for study for a number of reasons. Both are involved in diverse activities associated with the exploration, development, and production of oil and gas from the OCS. Petroleum workers and petroleum families populate them. New Iberia is a sugarcane town that acquired an oil sector. Morgan City is a shrimping and commercial port on the Atchafalaya River that was strategically poised to become a prominent fabricating, service, and supply center for the oil and gas industry. Also, the communities, with populations of 30,000 and 12,000 respectively, are amenable in size for ethnographic study which, in its broadest sense, endeavors to understand the social, political, economic, and cultural dynamics of communities.

**DESCRIPTION:** This study was conducted by a team of researchers from the University of Arizona's Bureau of Applied Research in Anthropology in partnership with fourteen teacher-researchers from Morgan City and New Iberia. The teacher-researchers are local schoolteachers who were recruited and trained to conduct household discussions in the homes of their students and other residents, attended study group meetings, and helped analyze their data and present findings of the study. Along with the teachers, two university researchers lived in these communities for 10 months during 1998-99. They attended meetings, read the local papers, and visited homes, offices, and work sites. They talked with workers, employers, and families involved in the offshore oil and gas industry and with civic leaders who were knowledgeable about how their communities were impacted by this large and complex industry. Eight additional researchers spent from two weeks to several months each in southern Louisiana talking with more families and gathering information about the communities and how they function. Due to the changes that were occurring in the region and the industry at the time of the study, researchers maintained contacts and returned to visit the communities on several occasions through June 2000. Discussions often were taped and always were summarized in written notes. Information was shared throughout the team.

Volume 1 describes the range of social and economic impacts and is intended to address the agency's information requirements in preparing social impact assessments. The volume summarizes areas of social and economic impacts that accrue to individuals and families in the industry. It also reviews impacts on communities by examining demographic and social change, housing, healthcare, education and training, emergency social services, and strategies for economic diversification. It examines work in six sectors – drilling, production, fabrication, diving, offshore vessels, and trucking – because these cover a range of different work schedules, patterns of training

and mobility, safety and risk factors, and responses to industry dynamics. It focuses on the segment of the workforce still in southern Louisiana, mostly laborers and lower and mid-level managers. Volume 2 presents four case studies that served as an interim report to the agency and to the study participants in Morgan City and New Iberia.

**SIGNIFICANT CONCLUSIONS:** A principal finding of this study is that the workforce, workplaces, and impacts of the oil and gas industry are highly diverse. Workers and their families have indicated that the nature and extent of OCS-related impacts vary according to industry sector and position within the sector and the company. Factors that influence impacts include: (1) stability and vulnerability of employment in the sector; (2) wages and opportunities for advancement; (3) patterns of work scheduling; and (4) safety. Within and among sectors, company responses to industry fluctuations, restructuring, and other changes in the oil and gas industry differ considerably, and these responses contribute to the impacts felt by workers and families.

Irregular schedules, unpredictable patterns of work and employment, and risky work environments have direct and indirect effects on the families and communities of the people who work in the offshore oil and gas industry. Five areas of social and economic impacts that accrue to workers and are passed along to their families and communities are addressed in this report: (1) economic rewards received in exchange for work; (2) work schedules that dictate how time is allocated and spent both at and away from work; (3) physical and psychological impacts on worker health; (4) intangible impacts of work on factors such as self-perception and status in the community; and (5) industry cycles and fluctuations that exacerbate all impacts.

**STUDY RESULTS:** The relationship between the offshore oil and gas industry and southern Louisiana has been one of ongoing adaptation of one to the other. Individual and social expectations of those involved influence how impacts are felt. The multigenerational nature of OCS-related work in the Gulf has meant that many workers experienced the offshore lifestyle as children. Of particular importance to present OCS workers are the increased social expectations of fathers to be active, involved family members. Good jobs that offer predictable schedules, pay, and benefits make it possible for workers and their family members to organize their lives to meet responsibilities at home and at work. Increased opportunities for regular communication can assist their efforts. Bad jobs, those that are marked by uncertainty and instability and come with low wages and no benefits, place enormous challenges on families; even heroic efforts by families, communities, and companies are inadequate under such circumstances. Though many families adapted to the concentrated 7-and-7 and 14-and-14 work schedules that are commonplace in the industry, moves toward longer rotations and increased use of on-call workers have created new challenges for families. Reorganization and restructuring has increased the proportion of bad to good jobs within the study communities, and the impacts are noticeable throughout the industry and communities. For many workers, the economic rewards associated with OCS-related work are no longer perceived to be worth the tradeoffs that accompany them. The most pervasive change has been loss of loyalty and commitment to company, occupation, and industry.

Many of the changes that have occurred in southern Louisiana and affected workers and families involved in OCS-related activities are common to industries throughout the United States and the communities that are dependent on those industries: demand for workers has changed; companies participate in new markets; and large gaps separate families supported by good jobs and those who are not. This study acknowledges the general trends where appropriate, but it focuses on describing the specific ways that OCS-related activities and the people of southern Louisiana interact.

Community impacts of the industry are affected also by specific industry patterns and societal expectations of the public and private sectors. These include both ongoing needs and episodic concerns. Examples of ongoing, though continually changing, needs are for specialized training and for services to workers and families without health insurance. Episodic concerns accompany upturns, such as when large influxes of workers arrive and can find nowhere to live, and downturns, such as when large numbers of laid-off workers require social services. Local efforts to manage and mitigate both types of impacts are many; they involve health, educational, and social service institutions in the public and private sectors. Though minor successes in filling gaps have been achieved, the prevailing attitude of service providers is one of ongoing failure to meet the needs that accrue from the dominant presence of the industry in their community. New Iberia, the more economically diverse of the two study communities, has had greater success buffering the community from impacts and making them less visible, but close examination revealed that the two communities experience very similar patterns and problems.

**STUDY PRODUCTS:** Austin, D., K. Coelho, A. Gardner, R. Higgins, and T. McGuire. 2002. Social and economic impacts of Outer Continental Shelf Activities on Individuals and Families. Volume I: Final Report. OCS Study MMS 2002-022. Prepared by the University of Arizona, Bureau of Applied Research in Anthropology, Tucson. U.S. Department of the Interior, Minerals Management Service, Gulf of Mexico Region, New Orleans, LA. 308 pp.

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