

CASE STUDY

Rebuilding the Appalachian economy: Coalfield Development, USA

Coalfield Development is a US social enterprise focused on ending the intergenerational cycle of poverty in Appalachia's coal region. It follows a relationship-based, holistic approach to on-the-job training and incubating new businesses at the same time.

DESCRIPTION

Location: West Virginia, Appalachian region, USA

Type of action: skills development social enterprise

Actors: private sector, non-profit, social enterprises

Financing conditions: private funds, state aid

Type of coal: hard coal (mountaintop removal)

GDP: lower than national average

Unemployment rate: higher than national average

Population: decreasing, ageing population



KEY POINTS



APPROACH

- A family of social enterprises aiming to rebuild the region's economy through a relationship-based, holistic approach to on-the-job training.



ENABLING CONDITIONS

- Providing people with a paid job from the beginning, working closely together with the communities to encourage ideas and an entrepreneurial spirit, establishing direct employment to financing educational measures and developing new markets, focusing on opportunities instead of barriers.



CHALLENGES

- Overcoming sentiments in the beginning, getting members to commit to the educational part, addressing aspects of environmental protection and resiliency.



ACHIEVEMENTS

- Attracting \$16 Million in new investment to the region, creating 190 new jobs, training 1,200 people and supporting 50 new social enterprises.



CREATING JOBS AND PROVIDING EDUCATION

Recognizing the deep generational challenges that the mining-shaped Appalachian region faces, the Coalfield Development Corporation, founded in 2010, aims at creating jobs for chronically unemployed residents, following a relationship-based, holistic approach of personal development training, formal education and direct employment.

Introduction

Like in many European coal regions, energy generation from coal displays a clear downward trend in the US. According to mechanisation processes and the application of new (and controversial) drilling techniques for natural gas, coal's share of American electricity production fell from about 50% in 2006 to just over a third in 2015. Employment in mining in the Appalachian region (a stretch composed of West Virginia, eastern Kentucky, and western Pennsylvania) fell from 140,000 workers in the 1940s to about 16,000 people today. Accordingly, the counties with the greatest coal production have some of the region's highest unemployment rates, between 10% and 14%.

Between 2011 and 2015, central Appalachia's median household income was just over \$34,000, which is only 63% of the average American household. Nearly a quarter of its residents were under the poverty-rate, compared with 15% nationwide. Fewer than 60% of working-age adults had jobs or were looking for work, compared with 77% at the national level. Some parts of the region have grappled with poverty for decades, a struggle compounded not only by unemployment, but also by an opioid epidemic and a high incarceration rate. As coal companies abandoned the coal mines and much of the state's infrastructure, some communities lack basic needs. Roads and housing are often decayed, and functioning water and sewer systems are in short supply.

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The 33-6-3 model stands at the core of the Coalfield Development's Quality Jobs Initiative, a 2.5-year personal academic development approach designed for formerly unemployed (especially laid-off coal miners) and underemployed people, consisting of:

33 hours of paid work

People who start working at Coalfield are hired to join work-crews that staff Coalfield Development's social enterprises. The work-crews support a variety of projects aiming to create useful assets for local residents, communities, and businesses. Positions have been available in the industries of real estate development, solar energy, sustainable construction, mine-land reclamation, woodworking, agriculture, and artisan trades.

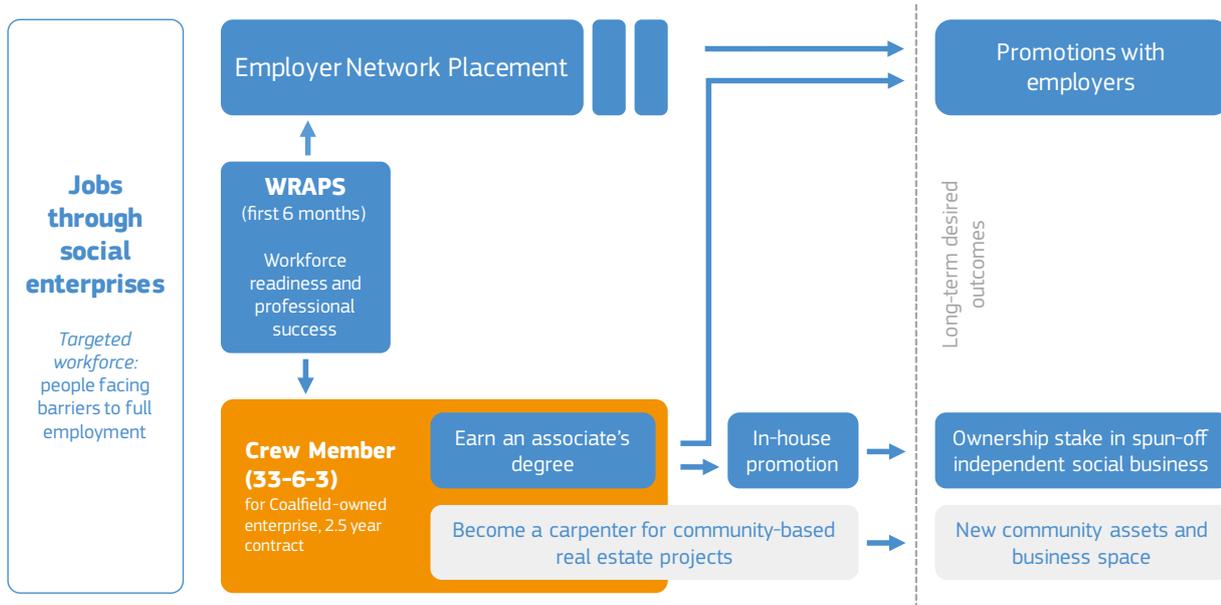
6 hours in the community college

Traditionally, most West Virginians entered the workforce after graduating high school. A bachelor's degree or a professional certificate were expensive and irrelevant in the mines. With that in mind, Coalfield Development has made academic upskilling a central requirement for every crew member. With a scholarship for six credit hours a week, the crew members attend a technical community college.

3 hours of personal development mentorship

Together with their mentors, the crew members meet every month in groups of 3-5 people to work on additional skills providing accountability and personal growth opportunities, which are helpful to excel in the modern workforce. Each Life Skills session focuses on a specific topic, such as how to do a job interview, write a resume, or run a meeting.

PERSONAL AND ACADEMIC DEVELOPMENT SERVICE DELIVERY MODEL



At the end of their 2.5-year contract, with a resumption of normal working life as well as improved practical and academic capabilities, crew members earn an associate's degree, which enables participants to gain traction on their life goals and overcome poverty and lack of prospects. Eventually, they can work their way up and get promoted in-house, including an option to get ownership stakes of one of the social businesses or tackle opportunities with external employers.

Coalfield Development also offers other forms of skills development that might lead to a more expedient path into direct employment. Following the six months Workforce Readiness and Professional Success (WRAPS) programme, the trainees replace the 6 hours of higher education with, for example, a 6 months' electrician certification to work in a solar installation company or to get employed outside of Coalfield's social business family. People who enter WRAPS usually have families, other commitments, or structural challenges that make the 33-6-3 model difficult to balance. That being said, after someone completes the 6-month WRAPS training, they might be more prepared and ready to take on the full 33-6-3 model.

Key challenges

For the Appalachian coal-mining region, the main challenge is not only to diversify the economy, but to invest in resilient economic structures that can serve as a long-term development perspective.

Recognizing these challenges, Coalfield started its bottom-up approach focusing on social businesses and on-the-job training for unemployed people. But with meagre funding and concerns by donors, public officials and the community itself, Coalfield had to overcome difficult resistance in its first decade. Going in a new direction in a region which is deeply shaped by the post-mining recession - as well as a remaining legacy and pride that still shapes people's mind-set today - was prejudiced by many, especially towards working with poorer communities. It was about two years after the start until its first social enterprise named Revitalize Appalachia won its first job for a project to renovate the Urlings building in Wayne.

However, according to Coalfield, a main barrier was to have people commit to a college and personal training. As the life circumstances are often not ideal, with many people having health problems and lacking mental and emotional well-being, sitting down to study and working on individual problems does not come easy.

Finally, building up resilient structures requires addressing aspects of environmental protection. According to Coalfield Development, people have a strong connection to their region, but having to prioritize basic needs over conservation has always been an unfortunate reality for most. For Coalfield, the challenge is to blend environmental mine remediation needs with local job creation opportunities.

Enabling conditions

For Coalfield Development, one of the most crucial perceptions was to think of how to combine job creation and education. The rationale behind that thinking was that even if there were enough jobs, there would often be a mismatch between job requirements and individual skills. As a consequence, some form of upskilling or reskilling needed to take place. Recognizing the complex and often difficult life situation of the targeted workforce, investing money and time in individual training measures is not an option for many people – resulting in the stifling of a lot of potential in the first place. As a consequence, providing people with both a paid job and education was key to reach the people who are often left behind.

By creating direct jobs, Coalfield not only ensures that the crew members can develop an entrepreneurial mindset in the real world, but the diversified revenue streams also assist in reducing grant funding dependency for the educational opportunities as well.

Developing profitable businesses is not an easy task, so another enabling condition lies in the support of community-based ideas, often nudged by the renovation of old and unused buildings. This served as a major strategy to encourage communities to get creative to think about future development purposes, which eventually led to new social businesses and jobs.

Despite the general approach, another important factor lies in the culture of work that is pursued by Coalfield Development. Following their principle ‘Opportunities cannot be provided; they need to be cultivated’, Coalfield establishes a new form of work that is guided by a narrative of positive thinking and encouragement, focusing on opportunities instead of barriers. Therefore, trust is an important pre-requisite that needs to be carried out both from the organisational side as well as the participating workers.



COALFIELD DEVELOPMENT'S THEORY OF CHANGE

Achievements

Since Coalfield Development's conception, the family of social enterprises attracted 16 Million Dollars in new investment to the region and created 190 new jobs. Over 1,200 people got trained to expand their skill-set in new economic sectors. According to Coalfield, two thirds of the people who have taken part in the programme are now in active labour, including 95 alumni with a full-time job.

For a long time, coal was a singular way to make a living. Developing alternatives from the ground up was and still is one of the key objectives of Coalfield Development. As of today, more than 50 new businesses have been supported through this model, from real estate development of formerly abandoned properties to agriculture and artisan trades – all of them projects based on local assets – therefore diversifying the economy and helping the people in the Appalachian region to transform the economy and their communities into viable and thriving places to live.

Further reading

↻ [Coalfield Development Corporation](#)

↻ [Stand Together Organisation: Transforming the coalfields of West Virginia and expanding economic opportunity](#)

Initiative for coal regions in transition

The Initiative for coal regions in transition is an initiative by the European Commission.

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