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**THE STATE OF SOCIOECONOMIC IMPACT ANALYSIS:  
LIMITATIONS AND OPPORTUNITIES FOR ALTERNATIVE FUTURES**

by

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one might conclude, on the basis of existing evidence, that projects eventually pay for their most direct service costs, such a conclusion would likely have little generalizability to future projects occurring in different fiscal and geographic settings.

### **Social Impacts**

The social impacts of large-scale developments often have been inappropriately defined, to include nearly all other impacts not analyzed in the economic, demographic, public service, and fiscal impact areas. Thus, social impacts often have been seen as including psychological, historical and many other non-sociological dimensions (Murdock and Leistritz, 1979). In addition, the assessment of such impacts often has been seen largely as a strategy to be used in gaining public acceptance of large-scale and unpopular projects (Murdock and Leistritz, 1979). Even when appropriately defined to include the major social structural and social psychological dimensions basic to sociological analysis (Branch et al., 1984; Finsterbusch et al., 1983; Leistritz and Murdock, 1981), the focus of social impact analysis has been broad. Perhaps, the most commonly raised questions concerning such impacts, however, have focused on the issues of:

- (1) Do large-scale projects alter the social interaction patterns and social structural composition of rural communities?
- (2) Do such projects lead to major disruptions in social control mechanisms in rural areas and thus, result in increased rates of crime, delinquency, marital dissolution, etc.?

- (3) What groups are most positively and which are most negatively impacted by such projects (e.g., the elderly, the poor, the young)?
- (4) What levels of social psychological stress are placed on persons living in the siting areas of large-scale projects, and if stress is induced, does it have temporary or permanent effects on area residents?
- (5) Overall, do rural residents perceive large-scale projects as having had positive or negative impacts on their communities and which aspects do they believe have been most positively and negatively impacted?

Some of the early analyses of social impacts (Kohrs, 1974; Gilmore and Duff, 1975) suggested that large-scale projects would permanently alter the interaction patterns and the social structures of rural communities, making interaction patterns less informal and leading to alterations in the sustenance and occupational bases of rural areas. Several recent analyses have refuted such hypotheses, however. Murdock and Shriner (1978) analyzed nine western communities and found that although there were dissimilarities between the occupational structures of impacted and nonimpacted areas during construction periods, the occupational structures of post-impact areas were generally not dissimilar from those in rural communities that had not experienced such projects. In a more recent analysis, England and Albrecht (1984) found little evidence to support the contention that the social structures of rural communities had been permanently altered as a result of such projects. Other analyses (Murdock et al., 1981; Gilmore et al., 1982; Chalmers et al., 1982), although with some qualifications have come to similar conclusions.

The social disruption hypothesis is among the oldest in the social impact literature. The early work of Kohrs (1974) and Gilmore and Duff (1975) suggested that Western (and other) boomtowns experienced disproportionate increases in crime, child and spouse abuse, divorce, and other forms of social disruption during the development of large-scale projects. Additional support for this hypothesis was found in the area of mental health (Davenport and Davenport, 1979). Wilkinson et al. (1982), however, have argued that when appropriate population bases are employed, it does not appear that the rates of such behaviors have increased, only the absolute numbers of such incidents. Freudenburg et al. (1982), Albrecht (1982) and others (e.g., Lantz and McKeown, 1977) have contested the Wilkinson et al. hypothesis. However, recent analyses (including those by England and Albrecht, 1984; Murdock et al., 1981) have tended to support the findings of Wilkinson et al. Although there remains substantial disagreement about the extent to which disruption does occur (Murdock and Leistritz, 1982), it appears that levels of social disruption often have been lower than those anticipated in the boomtown literature.

Much of the early impact literature also suggested that large-scale projects might be particularly negative for certain groups who lacked the resources to manage the economic and other impacts of large-scale projects. The poor, youth, women, and particularly the elderly were seen as likely victims of such projects (Murdock and Leistritz, 1979). Recent analyses by Freudenburg (1984) and by Albrecht et al. (1985), among others,

suggest that such negative impacts have been restricted to only a few groups. In general, the elderly have not been negatively impacted (Gilmore et al., 1982) and minorities and women also have not suffered disproportionately. In fact, available evidence (Freudenburg, 1984) suggests that it is the youth who have experienced the greatest stress and been most negatively impacted. Faced with the dual adjustment to adolescence and the conditions of rapid community growth and lacking the established bases of social support of adults, they tend to experience substantial difficulty adjusting to rapid population growth. For nearly all other groups, however, there is little evidence of large-scale or lasting disruptions due to rapid growth.

The question of whether large-scale and particularly, potentially dangerous, projects induce stress has been a particularly controversial area of analysis (Freudenburg and Jones, 1984; Murdock et al., 1983; Krannich et al., 1984) due to the recent ruling by the Supreme Court in regards to the accident at Three Mile Island (Sills et al., 1982). In fact, there is a relatively substantial body of literature relating to the stress and other psychological effects of major accidents (Fritz and Marks, 1954; Dynes, 1974). The existing evidence regarding these effects is very mixed, however. Freudenburg (1982; 1984) and others (Weisz, 1979; Lantz and McKeown, 1977) have found extensive levels of stress, at least for particular groups (e.g., youth), but others have not found such effects (Krannich et al., 1984). Still other analyses suggest that such effects tend to dissipate rapidly and to largely disappear after the peak impact

period has passed (Rossi et al., 1978). Additional research on the intensity and duration of the stress-related effects of large-scale projects is clearly necessary.

The perceptions of residents of rural areas concerning the overall impacts of large-scale developments have received considerable attention (Gilmore and Duff, 1975; Murdock and Leistritz, 1979; Thompson and Blevins, 1983). Early work (Gilmore and Duff, 1975) suggested that residents, though initially in favor of developments, tended to view such projects as negative once they were initiated. Later work by Murdock and Leistritz (1979) suggested that a majority of residents remained in favor of developments throughout the development period. The level of support for development tended to be cyclical, however, being highest prior to the construction of the project, decreasing during the construction stage of the project and then, increasing to high levels of support after the project reached the operational stage (Murdock and Leistritz, 1979). Recent analyses by Thompson and Blevins (1983), England and Albrecht (1984) and Albrecht et al. (1985) have provided substantial support for the Murdock and Leistritz (1979) hypothesis. It appears, then, that large-scale projects are seen as positive overall.

Such analyses (see particularly Albrecht et al., 1985 and England and Albrecht, 1984) also suggest that there is substantial variation in the evaluations of different types of impacts. These and similar analyses (Murdock and Shriner, 1978; Gilmore et al., 1982) suggest that residents perceive economic

impacts to have been the most positive and social and public service impacts to have been the most negative. Such analyses suggest that residents' perceptions tend to be conditioned by the impact outcomes experienced in impacted areas.

Overall, then, available evidence on the social impacts of large-scale developments suggests that these impacts seldom resemble the boomtown syndrome often hypothesized in the early impact literature. Such impacts can be quite negative, but evidence suggests that they have tended to have both positive and negative impacts, with the most negative impacts being restricted to selected groups and areas. Thus, analysis in this area has served to replace the boomtown stereotype with increasingly sound empirical evidence.

#### **Conceptual and Methodological Limitations in Socioeconomic Impact Analysis**

The discussion presented above clearly shows that socioeconomic impact analysis has developed a relatively extensive body of empirical findings. Its knowledge base has increased substantially, and a considerable body of empirical research has replaced the speculation that largely characterized the field in the early 1970s. Both the conceptual and the empirical bases of the field remain limited in a number of regards, however. Before presenting our speculations concerning the future of the area, it is essential to discuss some of the major limitations that characterize the area and that restrict its development both as an area of social science analysis and as a tool contributing to policy formation and implementation. We