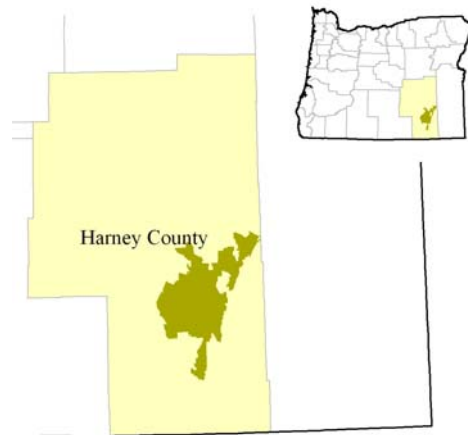


INSTABILITY IN LOGGING AND MINING HINDER ECONOMIC GROWTH IN HARNEY COUNTY

THE STEENS MOUNTAIN COOPERATIVE MANAGEMENT AND PROTECTION AREA

Designated: 2000
Location: Southeastern Oregon, about 60 miles Southeast of Burns
Size: 900,000 acres
County: Harney (Rural without air service, 19.19 percent of county land base)



The Steens Mountain Cooperative Management and Protection Area (CMPA) rises a vertical mile above the Great Basin country of southeast Oregon. This sky island, surrounded by high desert, provides a multitude of habitats ranging from desert scrub and sagebrush to alpine meadows and forests. An amazing diversity of plants and animals make their homes here, including some found no where else, and others that are endangered. Its three newly designated Wild and Scenic Rivers (Wildhorse Creek, Little Wildhorse Creek, and Kiger Creek) support trout and other fish.

Steens Mountain CMPA protects a significant area of largely intact wilderness. The Steens Mountain Cooperative Management and Protection Act designated a 425,500-acre Steens Mountain Cooperative Management and Protection Area, to be managed by the Bureau of Land Management (BLM) in cooperation with a new Steens Mountain Advisory Council, with the aim of conserving, protecting, and managing the long-term ecological integrity of Steens Mountain for future and present generations. In addition, 169,465 acres are protected as wilderness, of which nearly 100,000 acres are designated as off-limits to cattle – the first of this type of wilderness anywhere.



Before and After Designation

Harney County is one of the three counties (along with Pershing and Humboldt) analyzed that had not experienced economic growth in any of the indicators examined since the designation of its NLCS area in 2000. As Table 1 shows, total personal income, population, and total employment in the county dropped by 4 percent from 2000 to 2002. The table shows that two of these indicators, total personal income and population, were in decline from 1980-2000, before the CMPA was designated.

TABLE 1 Socioeconomic indicators in Harney County, Oregon

	1980	2000 (year designated)	2002	% Change 1980 - 2002	% Change 2000 - 2002
Personal income (millions)	179	174	167	-7	-4
Population	8,232	7,612	7,326	-11	-4
Per capita personal income	21,791	22,831	22,736	4	0
Total employment	3,804	4,618	4,421	16	-4

Figure 1 illustrates how these indicators have changed over time.

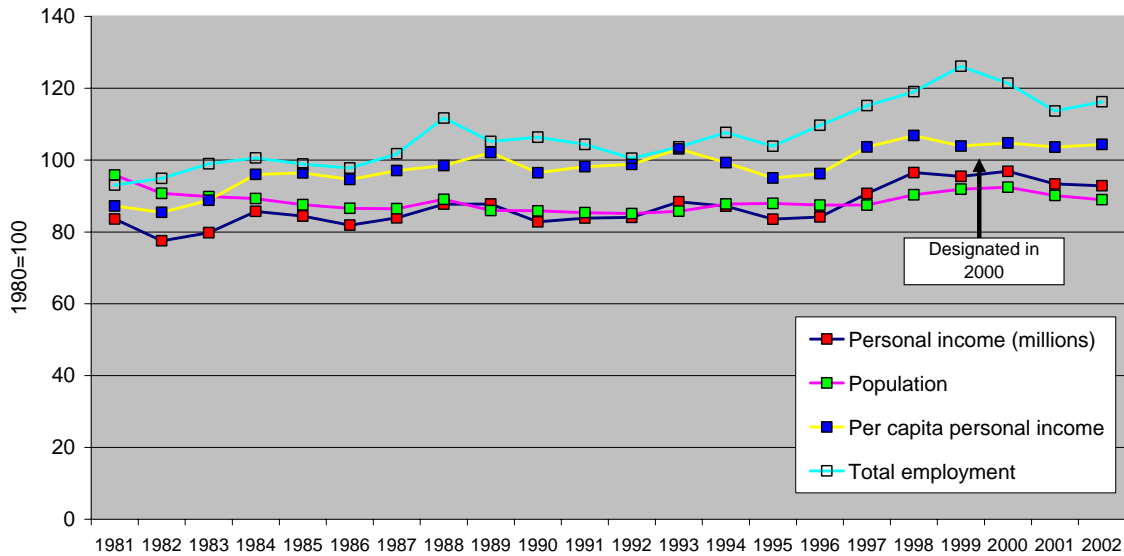


FIGURE 1. Growth of key economic Indicators in Harney County, Oregon

Economic Change in Harney County

A look at employment and income sources reveals both the importance and volatility of the timber industry and Agriculture sector. Figure 2 shows how employment has changed from 1970-2000,

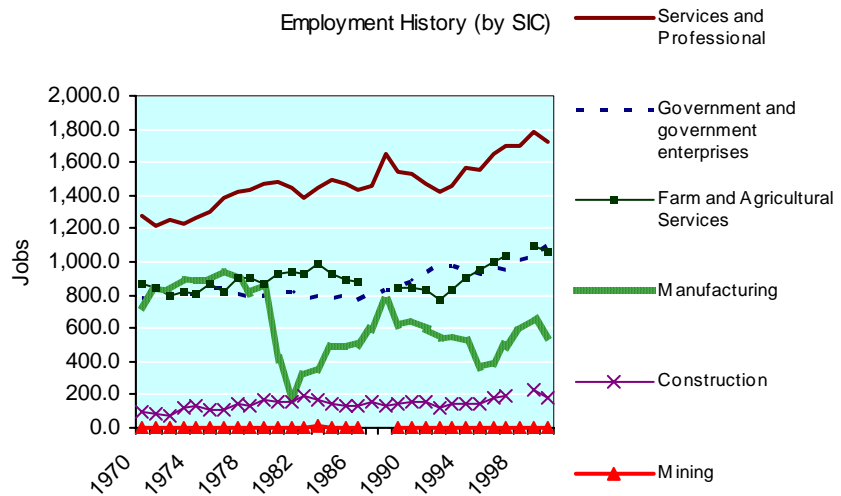


FIGURE 2. Employment by sector in Harney County, Oregon

Source: Bureau of Economic Analysis, 2000.

while Figure 3 illustrates fluctuations in income sources. In both figures, the timber industry is included in the Manufacturing sector.

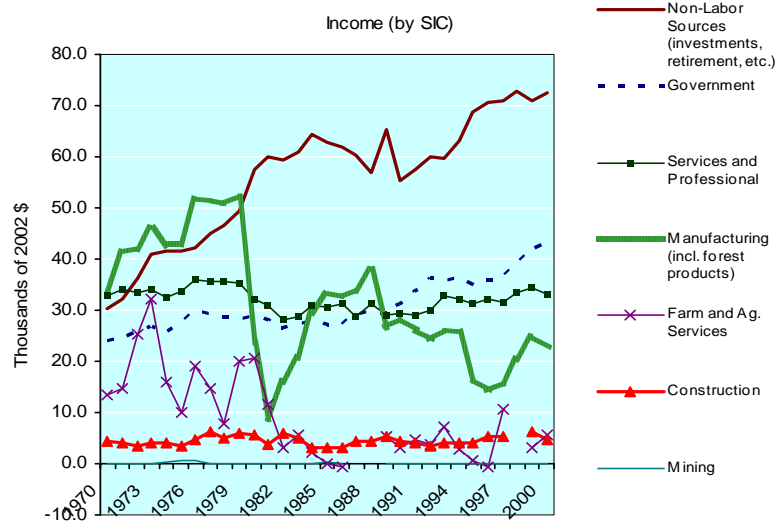


FIGURE 2. Personal income by major sector in Harney County, Oregon

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, 2004.

As Figures 2 and 3 demonstrate, the Manufacturing sector (which includes the timber industry, the only major type of manufacturing in the county) accounted for 10.8 percent of jobs and 15 percent of income in 1980. Looking a bit further back to when Manufacturing was at its peak in 1978, it accounted for 20 percent of the jobs and 31.6 percent of the income in Harney County. By 2000, this figure had decreased to 12 percent of jobs and 13.3 percent of income. In between these two points in time, both employment and income fluctuated in this sector.

Agriculture has been another important sector of the Harney County economy. In 1980, it accounted for 24.3 percent of jobs and 13.1 percent of personal income, but by 2000, these figures had decreased to 12 percent of jobs and only 3.3 percent of personal income. Note that while Figure 2 shows an increase in the number of jobs in this sector, they actually account for a smaller share of the total given the larger increases in Services.

Declines in these two sectors account for much of the decline in total personal income, and may explain a portion of the population loss as well, as workers in these sectors are forced by job and income instability to leave the county. Other employment sectors such as Services, Government, and Construction have experienced fluctuations but generally had more steady growth. This is also true for other income sectors, particularly Non-Labor (e.g., "mailbox" income from retirement, investments, dividends, and government transfers).

Conclusion

The source of Harney County's long-term declines in total personal income and population appears to be its reliance on two relatively unstable sectors, Manufacturing (primarily the timber industry) and Agriculture. The declines in total personal income, population, total employment, and lack of growth in per capita income since Steens Mountain CMPA was designated in 2000 is related to these trends, rather than an effect of the designation.