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Fear and Loathing in a Paper Mill Town: Local Perceptions of Globalization

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Abstract. A Finnish-based forest products company recently purchased the paper mill in a small community in northeastern Wisconsin (pop. 1,800). The 362 responses to a mailed survey demonstrated the community's perception that their future is uncertain. Quantitative and qualitative analyses revealed that residents expressed genuine distrust of the new global corporate owners. Residents reported that the current corporate owners did not support the schools and other community activities as much as previous owners. Globalization has bred contempt and fear in this community dependent upon a foreign-owned paper mill.

1. Introduction

As globalization continues, we watch for its effects on local communities. While most of the literature about the effects of globalization focuses on how U.S. owned corporations have expanded their operations overseas, little has been written about how foreign-owned corporations are perceived as they move inside of U.S. borders. This under-researched aspect of globalization leaves many questions unanswered (Brady and Wallace 2000:91). For example, do residents of communities experiencing globalization appreciate the new foreign owners? Do they feel more or less connected to the global economy because their community's main employer is foreign? These questions and more can be answered by studying the foreign-owned firms and the communities in which they are located.

Stora Enso North America is one specific example of a foreign-owned corporation operating in the United States. With paper mills in towns in Wisconsin such as, Wisconsin Rapids, Kimberly, Biron, Whiting, Stevens Point, Niagara and more, the Finnish-owned corporation is a leading manufacturer of publication paper and employs 43,000 people world-wide (Stora Enso 2002). Stora Enso's mill in Niagara, Wisconsin, offers an example of how a foreign-owned company has significant effects on a small community. The more general question I studied was, "How has globalization affected a small community in Wisconsin?" This article focuses on how the people of a small town affected by globalization, feel about their paper mill's new foreign owner.

2. Literature Review

Description and Short History of Niagara

Niagara, Wisconsin, is a small, incorporated city in Marinette County. The city sits on the bank of the Menominee River, along Wisconsin's Northeastern border with the Upper Peninsula of Michigan. According to the 2000 Census, there were 1,880 residents of the City of Niagara who were almost all white and 52.4 percent female. The average age of Niagarans was 38 years, with 21 percent aged 60 or older (U.S. Census Bureau 2000).

Originally, Niagara was named Quinnesec Falls after the name of the falls that the paper mill still uses today to generate power. In 1898, Kimberly and Clark Company of Neenah, Wisconsin, bought a small pulp mill originally built by the Badger Paper Company, and the city of Niagara developed around it. Kimberly-Clark maintained a paternalistic relationship with the community, building and renting out houses, building a community clubhouse and pool, and donating funding and equipment to the Niagara School District (Schabo 1966).

Kimberly-Clark retained ownership of the mill in Niagara until 1972, when it sold the plant to Pentair

Financial Corporation. Pentair offered profit-sharing to the employees and maintained some of the support in the community. Pentair sold the mill to Consolidated Paper, Inc., in 1997. In 2000, Consolidated sold the mill in Niagara, as well as others in Wisconsin, to Stora Enso North America, a forest-products company headquartered in Finland.

Today, Niagara is still very economically dependent on the operation of the paper mill. In 1990, the economy of Marinette County was 53.7% directly dependent upon the forestry industry (Stewart, Schuster and McGinnis 1996). Property tax revenues from the mill accounted for 35% of all property taxes collected in Niagara in 2001 (Interview with Novak 6/17/02). However, revenues from the mill have declined considerably since the period of Kimberly-Clark's paternalism. In 1965, the mill contributed 85% of all property tax revenue to the city (Schabo 1966). The effect of such changes on the community's perception of the mill's support for this small city is the focus of this investigation.

From Corporate Social Responsibility to Globalization

Niagara was the village that Kimberly-Clark built out of a pulp mill on the Wisconsin-Michigan border (near the Upper Peninsula of Michigan). The paper-manufacturing company created a community along the Menominee River. Kimberly-Clark built a paper mill, but they also built the school, the clubhouse, an indoor pool and a proud community. Throughout its tenure as owner of the mill (1898-1972) in Niagara, Kimberly-Clark was the backbone of the community. The social responsibility that Kimberly-Clark exhibited was normal for corporations during that era. However, global competition and capital mobility have changed the incentive for such community concern.

In the earlier part of the twentieth century, two conditions allowed for an agreement between business, workers and their communities. The first condition was that investment capital was not very mobile. Investments were confined to specific geographic areas, close to sources of raw materials and workers needed for production. For example, paper pulp mills were located near large standing hardwood forests. It was most efficient to complete production closest to the sources and transport *finished* products. More recently, increased efficiency of communication and transportation technology no longer confined production to any specific geographical region. Many products can be made just about anywhere and transported fairly cheaply to any place people need or want to buy them. In fact, today some of the pulp and hardwoods that are used to manufacture paper in Niagara was imported from Canada.

The second condition that fostered the pact between business, workers and communities at the beginning of the 20th Century was the threat of worker strikes and growing public mistrust of big companies. "The 1890s marked a maturing of the unions as well as a maturing of big business – and a series of bloody confrontations between the two." (Micklethwaite and Wooldridge 2003:72). Union membership grew "almost fivefold" between 1897 and 1904 and got more involved in party politics, supporting Democratic Party candidates (Micklethwaite and Wooldridge 2003:73). Also, there was growing popular pressure to break up large companies, which resulted in the 1890 Sherman Antitrust Act and the Clayton Antitrust Act of 1914. In response, companies found it necessary to buy off leftist political pressures through corporate social responsibility. They improved working and living conditions by offering better pay, retirement, healthcare and vacation benefits, and offered a lot of support for the communities in which the workers lived. Examples included U.S. Steel spending $10 million a year on benefits. The chairman of their board specifically believed that such benefits would remove some of the prejudice that workers had against big business. Other companies, like Pullman, developed company towns that were little utopias (Micklethwaite and Wooldridge 2003:75-76).

Through "corporate social responsibility", the classes were bound together. By mid-century the pact between capitalists, U.S. workers and their communities was strong. The pact translated into a relatively high quality of life for its workers and the communities in which the factories were located. Workers enjoyed the relatively good pay and benefits and could work toward owning their own homes and having the good life. Their children attended great schools with great teachers, and the communities thrived.

However, the environment within which the pact was built gave way to much more global competition. In the early 1970's the entire U.S. economy slipped. High levels of economic growth were difficult to maintain without a constant eye on keeping up with technological changes, making improvements on factories and seeking new people to buy products. U.S. companies had been spoiled throughout the mid-part of the 20th Century, and many had taken their economic success for granted.

By the late 1960s, U.S. firms experienced stagnation leading to profit losses, and bouts of inflation became common. Companies found themselves in "…a new international economic order, variously characterized as postfordist and postindustrial" (Piven and Cloward 1997:23). The Bretton Woods Agreement that ruled international trade and exchange rates after

World War II came to an end in 1971 (Sassen 2000; Ranney 2003), and companies had to become much more flexible. They had to be able to change production, move capital and respond to change must faster than the large, hierarchical companies coming out of the golden age of the United States. The end of the era meant that U.S. firms found themselves competing in a global market with leaner, decentralized companies, Japanese firms, for example. This not only affected the structure of business in the U.S., but it affected workers and the communities in which they lived.

Not too long after this, technology and trade agreements allowed companies to have that flexibility. Corporations could move their capital into other products and close operations and layoff workers in milliseconds through the Internet (Ranney 2003:25). The 1994 signing of the General Agreement on Trade and Tariffs (GATT) brought to life the World Trade Organization (WTO). Not only was capital mobility possible, it was encouraged in these new trade agreements (Korten 2001: 167-169). Capital hyper-mobility is the transfer of industry to export processing zones like Mexico or other low wage, under-regulated regions of the world (Sassen 2000:3). Because capital was not geographically confined as it was at the beginning of the twentieth century, workers and communities did not have the leverage needed to keep corporate support local. The old paternalism companies had with communities, by supporting their schools and other civic activities was no longer necessary to keep workers compliant.

Although the paper industry has a legacy of international trade, globalization of ownership of paper producing and processing facilities only recently increased in the United States. Declining profits, due to over capacity, resulted in global consolidation. New multi-national companies bought up smaller, regional companies, in order to capture local and regional markets. "Ten years ago, no major non-North American firm had significant ownership of US based assets. Today at least four multi-national major European firms have significant holdings in the US (and Canada)" (McNutt 2002: 3). Stora Enso is one of those four major European firms owning paper operations in the United States.

Because of its global reach, Stora Enso, or any other large, multi-national company for that matter[1], does not need to maintain a supportive identity in the new local communities in which they operate. Stora Enso's corporate responsibility is focused on environmental and social sustainability in developing areas. For example, the most recent corporate report mentioned, in one paragraph of the 155 page volume, Stora Enso's Wisconsin *employees'* efforts to raise $450,000 in funds for charities, including the United Way, which provides support to local organizations. Yet, that pool of funding was also used for tsunami and hurricane victim relief, so the focus was not solely on local communities and the initiative came from the employees (Stora Enso 2005: 43). Unlike corporate philanthropy of the early 20th Century, "Stora Enso sees philanthropy in a broader perspective which is not only based on donations but also includes global or local community projects from which both parties can benefit" (Stora Enso 2005: 39). Most of the other philanthropic projects presented in its corporate report involved partnerships with organizations like UNICEF and WWF (World Wildlife Federation) in which issues of sustainability in developing areas were addressed (Stora Enso 2005).

Possible effects of globalization in U.S. communities

Some scholars view foreign capital interests in the U.S. quite positively. Graham and Krugman (1991) argued that foreign direct investment (FDI) in the U.S. could translate into increased foreign trade and "spillover effects" into the domestic economy. For example, a foreign owner might have access to foreign markets that a domestic firm may not. Also, technology, training and management techniques introduced into a U.S. firm by its foreign owner can spillover into the domestic economy and create innovative change that would not have occurred otherwise (Graham and Krugman 1991:57-59).

Reich (1995) argued that corporations headquartered abroad are more likely, than many U.S. owned corporations conducting most of their business outside U.S. borders, to demonstrate good citizenship in America (p. 147). Since their economic success is dependent upon the performance of American workers, foreign-owned corporations "...give American workers the tools they need to be more productive, more skilled, and more competitive" (p. 150). Reich claimed that Americans employed by foreign-owned companies even earn a higher average income than those employed by American-owned companies. Overall, Reich argued for publicly supported efforts to increase American human capital and research and design in order to attract the best corporations from all over the world. His perspective on foreign-ownership in the U.S. was quite optimistic.

One example of how foreign-owned manufacturing in the U.S. had a positive impact can be found in Spartanburg County, South Carolina. Kanter (1995) explained that, "The presence of international compa-

[1] This includes the multi-national corporation that Kimberly-Clark is today.

nies has created and spread the concepts, competence, and connections world class companies need by unleashing and renewing entrepreneurship and innovation" (p. 243). The Spartanburg-Greenville area attracted companies from countries like Germany, Switzerland, Austria, the United Kingdom, and France through active outreach, by providing a hospitable business climate and positive work ethic, and by improving training and education of workers in the region. In return, the foreign-owned manufacturers injected capital into the economy by utilizing local vendors and improving the infrastructure. They also created many new good-paying jobs. However, it is the non-economic influences the foreign-owners had on the community that Kanter found most intriguing.

With the foreign companies came changes in culture and cuisine. "People in Greenville describe the foreign flavor on Main Street, including authentic Dutch or northern Italian restaurants (p. 274)." Spartanburg now hosts an international festival each fall. "In honor of Spartanburg's concentration of German and Swiss companies, there is also a Dezemberfest arts festival, which a German Volkswagen dealer was instrumental in starting (p. 274)." Locals noticed how the community became less parochial and more open to international customs. Kanter pointed out that the Spartanburg-Greenville area was not completely transformed into a "foreign colony", but rather, locals expanded their horizons and raised their standards a bit (p. 276).

Kanter's examination of FDI in the Spartanburg-Greenville area differed from what Niagara experienced, however. In Spartanburg-Greenville, the FDI came in the form of building and establishing new or "greenfield" production facilities (Graham and Krugman 1991:23; Woodward and Nigh 1998). Stora Enso purchased existing paper mills as part of a trend in global consolidation of the paper industry. This type of FDI is most common in the U.S. and is theoretically different. "A region that succeeds in attracting foreign Greenfield investments may well increase overall employment in the region as a result…" (Graham and Krugman 1991:62). However, a foreign investor that acquired an existing facility may have alternative motives, of eliminating the competition, for example, which could result in layoffs.

More pessimistic views have been offered by other leading scholars on cities in the global economy. Sassen argued that global economic processes going on in local regions threaten sovereignty. Local governments potentially lose power to these larger, stronger global actors, the multi-national corporations like Stora Enso (1998: 97). Sassen claimed that global cities, through which transnational capital flows, must change their behavior in order to deal with and maintain some control over the effects of multi-national corporations (2001).

Flora et al. (1992) outlined some specific implications of foreign-ownership for local communities: First, foreign-ownership can lead to a company having less involvement in day-to-day issues of a community. Kimberly-Clark, a domestic corporation at that time, was very involved in local issues, ranging from housing to education. Because Stora Enso is global, the company is less likely to be concerned with the community life of Niagara, Wisconsin. Also, the relationship between foreign-owners and workers is often more tenuous. Flora et al. (1992) claimed that workers are more likely to organize against an employer they perceive to be an outsider. At the same time, since a foreign-owner is less tied to the community, if it loses a major concession, with labor for example, on issues that might affect profitability, they can threaten to leave.

Brady and Wallace (2000) analyzed the effects of foreign direct investment (FDI) on labor in the U.S. and found that it negatively affected union organizational efforts, the percent change in union membership, the rate of worker grievances, real hourly earnings and labor's share of a state's total income. Using lagged analyses, they were able to show that initial effects of FDI were positive for labor, but over time, the cumulative effects were damaging (Brady and Wallace 2000:91).

Some argued that foreign direct investment in the U.S. has not been beneficial to all regions (Glickman and Woodward 1989). Oftentimes the investment in one area is at the expense of another as was the case with Renault's purchase of Mack Trucks. In order to lower production costs, it moved its plant from Allentown, PA to Columbia, SC. Even then, the relocation brought fewer jobs to Columbia than the local residents had expected and they were left wondering how long it would be before Renault disinvested in their community, the way they had in Allentown (Glickman and Woodward 1989: 221).

3. Methods and Data

Based upon the previous discussion of the effects of globalization on local communities, two hypotheses were developed. The first is that foreign ownership might have resulted in improved quality of life (Graham and Krugman 1991; Reich 1995; Kanter 1995), since Stora Enso depends upon the community, especially the labor force, of Niagara. Also, Stora Enso's presence could have established Niagara's presence in the global economy and increased international

awareness amongst the residents. Therefore, residents would report an improved quality of life and a perception that Niagara's role in the global economy increased.

Alternatively, as Sassen (1998, 2001), Flora et al. (1992), Brady and Wallace (2000) and Glickman and Woodward (1989) suggested, foreign ownership of the major business and source of government revenue has put a strain on the community. With the logic of "profitability at all costs" (Sassen 1998: 99), a multinational corporation will make decisions about employment levels and investments with little regard for the quality of life in Niagara. Therefore, the second hypothesis is that the quality of life would be diminished, and residents would have a negative opinion about their new corporate owners. Residents who have lived longest in the community would be able to contemplate how the quality of life in Niagara has changed with each different mill owner.

The main objective of this study was to assess the residents' perceptions of change in their community. I wanted to determine how changes in ownership of the mill affected the community of Niagara, with particular attention paid to how the recent ownership by Stora Enso, the Finnish-owned forest products corporation, changed residents' perceptions of the economic and social life of their small northeastern Wisconsin city. In this article I discuss the results of survey research I conducted[2]. In addition to the quantitative analyses of survey results, I analyzed the qualitative answers to the survey responses to the "Additional Comments" at the end of the completed surveys.

I conducted a community-wide survey of the City of Niagara. The questions on the survey mostly asked residents about their *perceptions* of the current quality of life and desired changes or additions to city developments and services. To test my hypotheses, I included a question asking residents to reflect on their *perceptions of the community*, and if it had changed with changes in plant ownership. I also asked them to contemplate Niagara's role in the global economy, and if it had increased, decreased or stayed the same. I provided a space for any additional comments they wanted to offer. Since the community is relatively small, I was able to send a questionnaire to each of the 702 households for which addresses were available through the city's public works records. Members of each household were instructed to choose one adult member to complete the survey. By conducting necessary follow up mailings to remind respondents to complete the survey and return it to me, I was able to receive 363 completed surveys. This resulted in a response rate of 52%. Ninety-six of the respondents wrote additional comments at the end of their completed surveys.

I conducted basic cross-tabulations on quantitative data collected from the surveys. These allowed me to test for associations between demographic and employment status and perceptions of changes in Niagara since Stora Enso purchased the mill. I also conducted qualitative content analyses of the "Additional Comments," and I identified specific themes within the comments. In this article, I present the results of the analyses of the themes that focused on the respondents' concerns about the future of Niagara and how it related to Stora Enso's purchase of the mill.

4. Data Analysis

Survey Results

The demographics of the sample of households who completed and returned the surveys were very similar to data available in the 2000 Census (see Table 1). A few of the individual-level characteristics, like educational attainment and occupational field, did not match those found in the sample, but this might be due to the fact that only one member of the household was asked to complete the survey. Otherwise, the sample was representative of households in Niagara.[3]

Overall, Niagara was still considered a nice place to live. Sixty-eight percent reported that Niagara was a satisfactory place to live, and 18.3% reported that Niagara was a very satisfactory place to live. However, 61.2% believed that the quality of life in Niagara had declined since Stora Enso purchased the mill. Of the four companies that have owned the mill in the last century, 87% believed that the quality of life was the lowest under Stora Enso. Forty-two percent said that Stora Enso's support of the City of Niagara was poor, and 26.1% said the support was very poor. Forty-four percent said that Stora Enso's support of the Niagara School District was poor, and 23.9% said it was very poor.

In an attempt to test whether Stora Enso's purchase of the mill established Niagara's role in the global economy and increased its global power, respondents were asked if they thought that Niagara's role in the global economy had increased or declined since Stora Enso bought the mill. A majority (45.3%)

[2] This was a case study, so I used multiple methods of research: historical archival research, in-person interviews, surveys and analysis of secondary data. I received human subjects clearance from my university to conduct the surveys and in-person interviews. Only the results of the survey are reported here.

[3] Owner-occupied households are over-represented in the sample. This is most likely due to the use of the public works address list as the sampling frame. Addresses for households for which the water, sewage and garbage bills were sent to landlords were not available.

Table 1. Demographic Characteristics of the 2003 Household Survey Sample of Niagara and 2000 Census of Niagara

Demographic Characteristics	2003 Survey Sample	2000 Census
Average Household Size (persons)	2.41	2.39
% of households with 2 or fewer residents	66%	63.2%
Educational Attainment [a]		
Less than High School	4.6%	14.6%
High School Degree	49.4%	44.0%
Some college/Associates Degree	26.9%	29.1%
Bachelor's Degree	12.9%	10.4%
Graduate or Professional Degree	6.3%	2.0%
Employment		
Labor force status		
% Employed	61.5%	60.3%
% Unemployed	1.7%	4.2%
% Not in labor force	36.8%	35.6%
Occupational field		
% in service field	14.9%	17.8%
% in management, professional or related field	18.5%	19.1%
% in production, transportation and material moving	11.0%	18.0%
% of respondents whose employment was directly or indirectly related to the Stora Enso paper mill	18.0%	N/A
Income [b]		
Less than $20,000	20.5%	26.8%
$20,000-$39,999	31.5%	32.7%
$40,000-$59,999	21.3%	19.5%
$60,000-$79,999	11.0%	10.4%
$80,000+	6.6%	10.4%
No answer	8.8%	
Housing: % Owner-Occupied	91.8%	78%

a. For the 2003 Survey, respondents were to choose one adult to complete the survey, so data are not available for all individuals in the household. Also, the Census reports educational attainment data for adults 25 years or older only. There was no age limitation included in the 2003 Survey.

b. Census data were for 1999 income and included comparable categories, except at upper levels. For example, the Census categories were $60,000-$74,999 and $75,000+. Otherwise, all other categories were comparable.

believed that Niagara's role in the global economy had stayed the same, but 27.2% believed it had decreased slightly, and 13.8% said it had decreased greatly. Very few respondents believed that Stora Enso's purchase of the mill improved Niagara's role in the global economy.

As expected, how one viewed Stora Enso and Niagara was dependent upon how long one had lived in the community. It was also dependent on whether or not one's employment (or that of someone in the household) was associated with the paper mill. Respondents who had lived in Niagara for 20 or more years were more likely to believe that Stora Enso's support of the School District was poor or very poor, and respondents who had lived in Niagara for fewer than 20 years were more likely to believe that Stora Enso's support of the School District was good or excellent (Table 2)[4]. This significant relationship was dependent on educational attainment, home ownership status, whether or not their employment was con-

[4] Because the answers to the questions were categorical or Likert-type scales, it was inappropriate to use multiple regression to test if the zero-order relationships still existed after controlling for other factors. Also, no other variables obtained from the survey were statistically associated with or could logically explain the associations presented in this paper.

nected to the mill and household income. In other words, if a respondent had a high school degree or less, or owned their own home, they perceived Stora Enso's support of the school district as poor or very poor. Also, a respondent perceived Stora Enso's support of the school negatively if they had a household income between $40,000 and $59,999 and had lived in Niagara for 20 or more years. Those who had a negative perception of Stora Enso's support were most likely older, retired residents who could compare the quality of life under Stora Enso to "the good old days" under Kimberly-Clark.

Overall, respondents who reported that their, or someone in their household's, employment was directly connected to the paper mill were more likely to believe that Stora Enso's support of the School District was poor or very poor. Those whose employment was indirectly connected or not connected in any way to the mill were more likely to believe that Stora Enso's support of the School District was good or excellent (Table 3). Still, the majority believed that Stora Enso's support of the School District was poor or very poor[5]. Respondents who reported that their or someone in their household's employment was directly connected to the paper mill were more likely than others to believe that Niagara's role in the global economy had stayed the same or increased. Those whose employment was indirectly connected to the mill were most likely to report that Niagara's role in the global economy had decreased. Those whose employment was not connected in any way to the mill were more likely to report that Niagara's role in the global economy stayed the same or decreased (Table 4)[6].

One explanation for this pattern is that those who work in the mill receive regular corporate reports that illustrate the mill's position in Stora Enso's global organization and list the corporate executives, whose names are mostly Finnish or Swedish. Also, Stora Enso North America makes use of European management-worker relationships through a works council, which "includes representatives from all unions, all mills and the senior management team" (Stora Enso 2005: 26). The North American Works Council meets regularly in an attempt to create a shared perspective on company goals and strategies. This sharing of information about the multi-national corporation more than likely facilitated an understanding amongst workers about their role in the global economy. However, since the majority of residents did not work at the mill, they did not receive corporate reports or other company information, so they did not feel as connected to the global paper industry.

Despair, Anger and Realistic Perspectives

Comments hand-written at the end of the completed survey revealed the depth of the respondents' concern about foreign-ownership of their paper mill. Most of the comments reflected worry about the future of the community if Stora Enso decided to close the mill and move the production elsewhere in the global economy. Many focused on the fact that Niagara was dependent on the jobs at the mill (although 69% of the households responding to the survey did not have anyone whose employment was associated with the mill), and that those jobs were decreasing. Many recognized that the changes in taxes and changes in employment practices have translated into a decrease in support for the community, especially the schools. Others claimed that Stora Enso's global reach meant that it did not care about Niagara because the mill and the town were insignificant in size compared to the large corporations and its global operations.

Worries were perpetuated by rumors, mixed with a little fact, that circulated that Stora Enso would shut down the mill in Niagara if it did not exceed a 13% profit margin. Respondents noticed, at the time of the survey, necessary upgrades and improvements had not been made since Stora Enso purchased the mill in 2000 or worried that if the mill closed down, the town would lose its major employer and a huge tax base. For example, one respondent wrote, "In my opinion Stora is running our mill into the ground. No improvements, job cuts, not maintaining equipment, etc. I predicted the mill would survive for 5 years after they bought us, I have a bad feeling I'm going to be right." Another simply expressed concern about the future of the mill for the workers and the community: "My dad works for Stora Enso, he is afraid that when the next contract comes that he will have to pay double health pensions to keep them, and he is also concerned that they might shut this mill down. What will happen to Niagara's economy then?"

Stora Enso set a benchmark of a 13% profit margin for the entire corporation, and that message was relayed to each facility (Stora Enso 2001). One of the respondents expressed the fear about not attaining that profit: "Without a big turn around by Stora Enso,

[5] Chi-square analyses were conducted using length of residence in Niagara, education, household income, and whether respondents rented or owned their homes as control variables, but no significant relationships were found.

[6] Chi-square analyses were conducted using length of residence in Niagara, education, household income, and whether respondents rented or owned their homes as control variable. The only significant relationship found was for those who owned their own homes. Respondents whose employment was directly related to the paper mill were more likely to say that Niagara's role in the global economy had increased ($X^2 = 11.789$, df = 4, p = .019, C = .249, V = .182, $\lambda = .072$).

Table 2. Perception of Stora Enso's Support for the School District by How Long a Respondent Lived in Niagara and Other Characteristics

		Less Than 20 Years	20 or More Years	Total
Overall	Poor or Very Poor	55.3%	73.8%	68.1%
	Good or Excellent	44.7%	26.2%	31.9%
	Total N	94	210	304
	Percent	100%	100%	100%
X^2 = 10.218, df = 1, p = .000, C = .180, Φ = .183, λ= .000				
H.S. or less	Poor or Very Poor	41.5%	72.3%	64.1%
	Good or Excellent	58.5%	27.7%	35.9%
	Total N	41	112	153
	Percent	100%	100%	100%
X^2 = 12.412, df = 1, p = .000, C = .274, Φ = .285, λ= .127				
Employment not connected to the mill	Poor or Very Poor	53.2%	83.6%	68.3%
	Good or Excellent	46.8%	16.4%	31.7%
	Total N	62	61	123
	Percent	100%	100%	100%
X^2 = 13.106, df = 1, p = .000, C = .310, Φ = .326, λ= .000				
Own their own homes	Poor or Very Poor	60.5%	74.4%	70.4%
	Good or Excellent	39.5%	25.6%	29.6%
	Total N	81	199	280
	Percent	100%	100%	100%
X^2 = 5.136, df = 1, p = .021, C = .367, Φ = .394, λ= .250				
Household income $40,000 to $59,999	Poor or Very Poor	45.8%	82.6%	70.0%
	Good or Excellent	54.2%	17.4%	30.0%
	Total N	24	46	70
	Percent	100%	100%	100%
X^2 = 10.157, df = 1, p = .001, C = .192, Φ = .196, λ= .000				

Table 3. Perception of Stora Enso's Support for School District by Connection of Employment with the Paper Mill

	Not Connected	Indirectly	Directly	Total
Poor or Very Poor	68.5%	59.1%	87.2%	71.4%
Good or Excellent	31.5%	40.8%	12.8%	28.6%
Total N	124	22	39	185

X^2 = 6.87, df = 2, p = .032, C = .189, V = .193, λ= .000

Table 4. Perception of Niagara's Role in Global Economy by Connection of Employment with the Paper Mill

	Not Connected	Indirectly	Directly	Total
Decreased	40.5%	56.0%	24.3%	39.4%
Stayed the same	47.3%	36.0%	48.6%	46.1%
Increased	12.2%	8.0%	27.0%	14.5%
Total N	131	25	37	193

$X^2 = 9.772$, df = 4, p = .044, C = .220, V = .159, λ= .048

from an investment stand point, our mill will not survive and the local economy will suffer (big time)!" Others simply wrote, "Sense of uncertainty of future prevails" or "Niagara needs a boost. It's falling apart." A few respondents thought through that scenario. Many respondents expressed concern about the graying of the community, and one person believed the problem was not necessarily with Stora Enso, but rather that Niagara was dependent on one industry:

> *Niagara like a lot of small towns across the USA had its boom days and now it is dying. Unless we get a new industry or business we shall become more and more a retirement community. The young people are leaving because there is nothing to keep them here. Stora Enso is not to blame. Computers have made paper less needed TV has made magazines and books less needed. Times have changed in the past 50 years.*

Eleven respondents focused on the lay-offs at Stora Enso and the lack of jobs for young people. They recognized Niagara's dependence on the mill for good paying jobs for the whole of Niagara's community. Most just wrote short comments like, "Stora Enso is important as an employer to people of Niagara and the whole surrounding area. The better paying jobs are important for the economy." Six respondents commented about the mill's *changes in employment practices* and increases in layoffs. They blamed the mill for some of their troubles because it no longer emphasized hiring from within the community, and others just saw the layoffs and declining population as the problem. They saw many people moving out of the area to Michigan, to pay lower property taxes:

> *The Niagara mill used to hire within the community. This stopped in the late 70's, causing the youth to move elsewhere. This has resulted in, 1. Declining school enrollment, 2. Aging community, 3. Old run down rental housing, very little shopping opportunities, 4. Declining permanent residents. People, should visit Niagara now, as it may not exist in 10 years. Once a beautiful town is no more.*

Property and gasoline taxes are higher in Wisconsin than in neighboring Michigan. One reason property taxes are high in Niagara, of course, is because of the declining proportion of taxes paid by the paper mill. "Niagara was a better town when the mill employed people who lived in Niagara. Too many of the people who work in Niagara take their money and make their homes in Michigan. The tax difference between Wisconsin and Michigan is so large that anyone is nuts to live in Niagara." The migration to Michigan and the layoffs have resulted in a decline in the population.

Stora Enso's global reach and size was obvious to three respondents. One wrote, "We're a little tiny speck on the Global Market. If we don't perform, Stora Enso will pull the plug and we're up shit creek without a paddle." One wrote, "I feel that Stora Enso is a big company that does not really care about a small town community" Another added:

> *Stora Enso's main concerns are the larger mills in our country. Niagara is so small that it does not even figure into the big picture. Since coming into Niagara the employees are all afraid of losing their jobs. Maybe more money should be spent on trying to keep people working instead of just doing surveys.*

Many perceived a lack of care on the part of Stora Enso. They did not see a commitment to the community that they once had with previous owners of the mill. Most commented on the lack of community support. As one respondent wrote, "Stora Enso doesn't

even know about Niagara nor does it care if it continues growing! I'll be surprised if the paper mill operates much longer. As long as the rich and the lobbyists make the laws, our country will be on a down hill spiral." One wrote, "Stora Enso is foreign and could care less about Niagara!" Another respondent added, "As far as I can see Stora Enso does not contribute much to the community, such as donating to projects, fundraising, etc. Other companies in the area do." One respondent summed it up:

> *I worked at the Niagara Mill when it was owned by Pentair. They invested into the mill. So did Consolidated. Stora seems to have the attitude that they could care less about the employees or the town. If the mill goes, the town is dead! 300 people have already lost their jobs. If more are unemployed, who is going to pay taxes to support the school? I now work at International Paper, in Quinnesec (Michigan). They don't really care about employees either. At the moment, there is a study to see if we can cut 15-20% of our salaried people. The problem is industry wide and won't let up. With that in mind, we need industry up here! If something isn't done about the job drain in this area, we will all be working for minimum wage.*

Finally, one respondent was happy that someone was interested in his or her opinion:

> *Glad you asked!! I feel Stora Enso has no sense of commitment to this community. They do VERY LITTLE to boost morale or public relations. Please ask Stora Enso what their percentage of employees are who make their home in Niagara – the same place they do. They have never become "good neighbors" because they've never tried! Niagara is in need in many areas – esp. schools, recreational opportunities for our younger people. They could do so much to make us feel Stora Enso is truly a part of our community.*

All "Additional Comments" related to the paper mill were negative in nature. They expressed a genuine fear that Niagara's future was bleak, and that future was connected to the foreign-owned paper mill in their community.

5. Conclusions

I found little support for the hypothesis that foreign ownership of the paper mill in Niagara, Wisconsin, by a very large multi-national firm has resulted in a perception that the quality of life improved. Although mill workers were more likely to believe that Niagara's role in the global economy had increased since Stora Enso's purchase of the mill, most residents believed that the company did not care about the community, and many predicted a dismal future. Furthermore, those who have lived in the community for 20 years or more were more likely to perceive Stora Enso's support of the community as poor or very poor. This is most likely due to their ability to compare Stora Enso's support to that of Kimberly-Clark's during the the golden era of the social compact between companies, workers and their communities.

The situation in Niagara suggests that globalization and foreign ownership of this manufacturing enterprise is not perceived as good for the workers or the community, even though Stora Enso's management-worker relationships are more inclusive through their works councils. From the perspective of most residents in Niagara, the end of the social compact and the size and scope of the multi-national corporation has translated into a decline in community support in this small northeastern Wisconsin city. Since this was a case study, it is difficult to extrapolate these results to other examples where foreign owned companies operate in U.S. communities. Also, what these respondents perceived as happening in Niagara may not be the result of foreign ownership of their paper mill, but simply a reflection of the times, when corporations, domestic or foreign, have little incentive to support communities the way they did before global competition increased. Still, this case suggests that future attention must be paid to foreign ownership in the U.S.

Globalization is not a one-way trend. Multinational companies based in other countries do operate in the United States, and more research is needed to examine the effects of their actions. How do the people perceive foreign companies in their communities? Are their perceptions based on a reality about foreign ownership in the United States? These and other questions need further investigation as globalization continues to affect us locally. Globalization is not welcomed in this paper mill town, and it may not be welcomed elsewhere.

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