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To: Sheldon Gen

From: **Jim Shannon**

Subject: Stakeholder Analysis of 1980 Love Canal Relocation.

Introduction

The decision to relocate the residents of Love Canal was the culmination of a continually widening struggle between stakeholders. What started as a regional conflict between Hooker Electrochemical Company, the local elected officials of Niagara, and the residents of Love Canal became—with the insistence of the media—a complicated power struggle between the Carter Administration, Governor Carey of New York and Love Canal residents. This memorandum outlines how the stakeholders gained and lost power as problem identification and policy formulation phases of the policy process ultimately led to the relocation of Love Canal residents.

From the late 1950's through the late 1970's, deleterious health problems had arisen among Love Canal residents. It took significant media attention and the work of the local Congressman LaFalce to force the local and state administrations to address the residents' concerns and take action with respect to the site. Afraid of being perceived as ineffectual and wanting to influence Superfund legislation making its way through Congress, the EPA (Carter Administration) commissioned a study to tie the toxic waste from Hooker to the deleterious health effects of the residents in order to justify a lawsuit against Hooker. However, the Carter Administration lost much of its influence with the release of its findings. The power of the residents, federal legislators and Governor Carey was quickly amplified by the media. Almost immediately, these stakeholders determined that relocation was the only policy solution acceptable—with the Carter Administration held primarily responsible.

Description of Stakeholder Power

While the policy process can be broken down into several phases, for the purposes of this case we will focus on problem identification and policy formulation phases. *With Love Canal, the release of the EPA's preliminary study marked a stark division between problem identification and policy formulation.* The media's role in portraying the findings—residents' health problems possibly linked to toxic waste at Love Canal—sharply focused on the need for relocation.

The balance of power shifted dramatically for most stakeholders during the two stages. Table 1 outlines involved stakeholders—their preferences and level of power—in the problem identification and policy formulation stage. Here, power is defined as the ability to impose the preference of one group upon other groups that do not share the preference, or the power of one group to resist the preferences of others.

Table 1. Description of stakeholder power in different stages of the policy cycle.

<i>Stakeholders</i>	<i>Policy Stage</i>	
	<i>Problem Identification</i>	<i>Policy Formulation</i>
Love Canal Residents	Wanted action taken with regard to their health problems. Initially lacked any power to influence local, state or federal govt. Gained power with assistance of media and LaFalce.	Used media to achieve significant power. Able to communicate to wide public, shifted debate from cleanup of site to immediate relocation.
Hooker Electrochemical Company	Deep pockets and good connections with local elected officials. Relatively powerful as long deleterious health effects not directly linked to toxic waste.	Remained out of public's eye for the most part; therefore remained relatively powerful. Still not scientifically linked to health problems.
Niagara Elected Officials	Did not want to address the situation. Early, had the power to ignore resident's concerns. Lost power as the scope of problem became known to a wider public and authority was usurped by the state.	While powerless to control the situation, were able to avoid legal responsibility for problems.
Congressman LaFalce and New York Senators	Worked to get attention on plight of constituents. Constrained by lack of urgency from rest of government. Like residents, however, gained power as the scope of problem reached a wider public. One of the key players for this stage.	Able to evoke decisive action from Carter Administration. However, while key to granting authority of relocation to federal government, LaFalce ceased to be one of the driving forces in policy formulation. Usurped to some degree by residents.
New York Governor Carey	Desired help dealing with the situation. Little power initially. State seen as primarily responsible for the problem as it became more defined for a wider public. Shouldered most of the early costs.	Gained power as Carter administration seen by the public to be the more responsible party.
Carter Administration	Compared with the state, not seen as the focus; so it had relatively greater power. Toward the end of this phase, tried to establish more power by filing suit and commissioning a study. This was an attempt to influence the Superfund legislation being considered.	Lost nearly all power as perceived to be more responsible for immediate relocation of Love Canal residents. Especially vulnerable to the demands of Carey to share large portion of financial burden.
Media	Wanted to evoke a response from those in power. Instrumental during this stage. Acted as catalyst to power for both residents and elected federal legislators. Removed power from state and local elected officials.	In conjunction with residents, moved the process from a discussion about site cleanup to a time frame of resident relocation.

Coalitions and Conflicts Between Stakeholders

The power gained and lost, as well as shifting goals, created partnerships and increased antagonism between stakeholders in both stages of the policy process. Table 2 describes the various coalitions that formed between groups and their shared objectives. Here, a coalition is defined as two or more stakeholders combining power—either intentionally or unintentionally—to affect other stakeholders. Preferences of different groups merged to amplify power in each policy development stage.

Table 2. Description of stakeholder coalitions and objectives.

<i>Problem Identification</i>		<i>Policy Making</i>	
Coalitions	Common objectives	Coalitions	Common Objectives
Residents, LaFalce et. al, Media	Action to be taken by Hooker; or local, state or federal government.	Residents, LaFalce et. al, Media, Governor Carey	Have federal government institute and pay for relocation of residents.
Governor Carey	Begin cleanup of Love Canal and have federal government assume some cost.	Carter Administration	Verify results of preliminary study and make Governor Carey assume lead for any relocation.
Carter Administration	To influence pending Superfund legislation, appear responsive to public need, not assume full responsibility for cleanup.	Hooker, Niagara Elected Officials	To not be held responsible or take action of any kind.
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Immediately noticeable is that Hooker and Niagara elected officials retained their common objectives in both stages. Hooker could lose power only if health effects of residents could be scientifically linked to toxic waste. That link remained unproven with the release of the preliminary study. In addition, because the policy of relocation was a much too expensive undertaking for a locality to handle, Niagara officials were assured in their objective of not being forced into meaningful action.

Residents, Congressman LaFalce and other federal legislators wanted action taken on behalf of Love Canal residents. With the media as a catalyst for that power, they were successful at getting action from the state in the form of limited site cleanup, but unsuccessful at garnering significant attention from Hooker or Niagara officials, during the problem identification phase.

Things shifted with the release of the EPA's preliminary study on Love Canal residents. With greater public opinion on the side of the residents, they had the power to call—with great assistance from the media—for immediate relocation.

In the policy making stage, the Carter Administration and Governor Carey were no longer independent stakeholders achieving their own goals. With public perception criticizing moves made by the Carter administration to address the problem, the focus of responsibility eased from Governor Carey. His power unintentionally joined with the residents, federal legislators and the media for two reasons: 1) knowing Carter was under serious pressure to act, he could use his power to rid himself of most of the financial obligations; and 2) as an ally of Edward Kennedy, he had a political incentive to see Carter publicly weakened. Meanwhile, the Carter Administration, whose original goal was to simply affect legislation and further define the problem, lost most of its power to affect public opinion or public policy.

Conclusion

Clearly, the media was the most influential stakeholder regarding the Love Canal relocation. The media gave momentum to the problem identification stage, allowing the residents to override apathy from the local officials and grab power from the state and federal government. Then, the reporting of the EPA preliminary study further amplified the power of the residents and changed their objective from simply getting the authorities involved in cleaning up Love Canal, to outright relocation. In so doing, Governor Carey was able to combine power with the residents to force the federal government to accept nearly all the responsibility and most of the financing for the project. By unwittingly ending the problem identification phase by releasing the EPA study, the Carter administration lost all power to influence policy formulation—it could only react to the preferences of others.