

## Approach 1: Collaborate Regionally

A community's economy is not self-contained. Decisions on where businesses invest are increasingly made on a regional - not local - basis. Likewise, workers commute and residents shop throughout an economic region. Few communities can offer everything to everybody. The way to create critical mass is through regional collaboration.

### What Can Be Done?

- Identify unique community assets and act regionally to combine the strengths of many communities.
- Identify and support the development of clusters of similar businesses within driving distance.
- Develop new markets as a region.
- Coordinate or consolidate services, institutions, and/or jurisdictions to take advantage of economies of scale.

### In Support

- Residents are often unaware of the nearby range of talents and assets they can build upon.
- Similar businesses are often strongest - and most innovative - where they work together.
- Communities acting alone cannot meet many of modern industry's needs.
- Many challenges - from transportation to environmental quality - require regional solutions.

### In Opposition

- Many areas aren't blessed with natural amenities or resources.
- The turf mentality is too ingrained for regional cooperation.
- Smaller communities might be overshadowed.
- This takes too long, and the expertise to carry it off is expensive.

## Approach 2: Embrace Change

Change is constant. Most rural businesses, institutions and development practices were created when farming and factories could be counted on to create prosperity. The challenge isn't to stop change but to master it. We need to prepare for new jobs, businesses, neighbors, and ways of life.

### What Can Be Done?

- Educate for entrepreneurship, in K-12 and beyond.
- Encourage innovation in businesses and institutions.
- Promote specialty and niche markets in all industries, including agriculture.
- Help immigrants quickly connect to economic and civic opportunities.

### In Support

- Technological change and globalization cannot be stopped.
- Innovation increases profits and creates new markets.
- Institutions often respond too slowly to change.
- Older and multi-ethnic populations will dramatically affect rural America.

### In Opposition

- Nobody can predict the future. What if we guess wrong?
- This takes too long; we need jobs now.
- It's hard, and perhaps unnecessary, to change the status quo.
- Specialization is too risky. We shouldn't put all our eggs in one basket.

## Approach 3: Level the Playing Field

Investing in the basics - water, sewer, roads, bandwidth and industrial parks or research centers - will level the playing field and give rural communities the means to compete. Rural areas already offer an attractive quality of life, but need more modern amenities in order to make them attractive to high growth businesses.

### What Can Be Done?

- Raise state and local taxes to provide more resources for infrastructure improvements.
- Lobby the federal and state governments for more resources for infrastructure improvements.
- Sue for more federal and state funding.
- Borrow money to invest in infrastructure improvements.

### In Support

- Modern infrastructure is needed to attract businesses that pay high wages.
- Telecommunications can overcome barriers to education, health care, and market access.
- Additional resources are needed to provide the quality of life expected by knowledge workers.
- Infrastructure improvements will solve some of the problems associated with rural isolation.

### In Opposition

- The advantages of a rural lifestyle could be endangered if infrastructure improvements lead to too much growth.
- Providing infrastructure is too expensive.
- It's not cost effective to provide infrastructure to sparsely populated rural areas.
- It's unlikely that infrastructure alone will turn rural communities into economic hot spots.

## About Southern Growth Policies Board:

Southern Growth Policies Board is a non-partisan public policy think tank based in Research Triangle Park, North Carolina. Formed by the region's governors in 1971, Southern Growth Policies Board develops and advances visionary economic development policies by providing a forum for collaboration among a diverse cross-section of the region's governors, legislators, business and academic leaders and the economic- and community-development sectors. Supported by the governments of 13 Southern states - Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Virginia, West Virginia and the commonwealth of Puerto Rico - Southern Growth provides a gathering place for regional collaboration.

Southern Growth's research focus encompasses the major drivers for economic development in the South - innovation and technology, globalization, the changing nature of the workforce and the vital role of the community. Southern Growth provides its members, and the region, with authoritative research, discussion forums and pilot projects that define the critical issues shaping the South.

**To learn more about Southern Growth Policies Board, visit [www.southern.org](http://www.southern.org).**

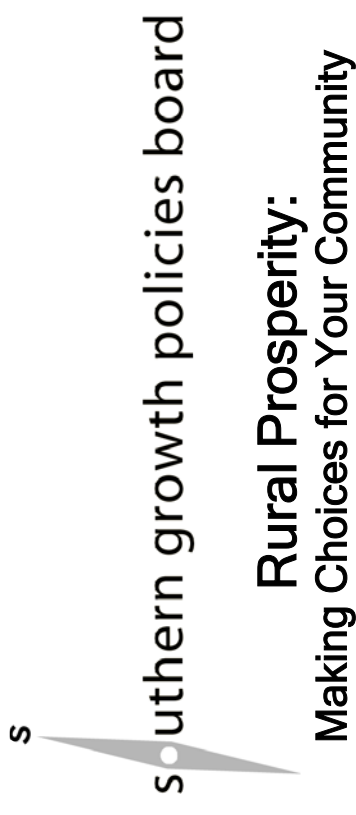
## For Further Reading:

The U.S. Department of Agriculture's Economic Research Service, at [www.ers.usda.gov](http://www.ers.usda.gov), for publications and data on a wide range of rural development issues.

Center for the Study of Rural America, at [www.kc.frb.org/RuralCenter/RuralMain.htm](http://www.kc.frb.org/RuralCenter/RuralMain.htm), for a variety of relevant publications, including Top Ten Ways to Reinvent Rural Regions in the Nov. 2003 issue of the Main Street Economist.

The Rural Policy Research Institute, at [www.rupri.org](http://www.rupri.org), for publications, data, and resource lists related to rural policy.

The U.S. Economic Development Administration, at [www.eda.gov](http://www.eda.gov), the Appalachian Regional Commission, at [www.arc.gov](http://www.arc.gov), the Delta Regional Authority, at [www.dra.gov](http://www.dra.gov), and the Tennessee Valley Authority, at [www.tva.gov](http://www.tva.gov), for technical assistance and resources related to rural development.



Headlines in newspapers throughout the South point to a growing crisis in rural communities, from layoffs in factories to the continuing decline of farming as a way of life. While many rural communities made progress during the economic boom of the 1990s, their progress often did not keep pace with their urban neighbors. As a result, rural areas continue to lag behind in many measures of well-being - from income to health care. The recent economic downturn has hit rural areas particularly hard, as have global trade, technological change, budget shortfalls and evolving young lifestyles.

Challenges for the South's rural areas include:

- Lower educational attainment, hampering communities' ability to attract, create or transition to knowledge-based jobs.
- A changing population, including youth who are leaving for better job opportunities, an expanding elderly population, and growing ethnic diversity.
- Aging infrastructure and slow deployment of high-speed Internet access.

What can states and communities do to address these and other challenges? With over one-third of the South's population living in rural areas, it is important for residents from throughout the region to examine options and their outcomes. Southern Growth Policies Board has designed this discussion booklet to stimulate conversation about the best way to approach rural development in your particular area.

