



Stronger Economies Together

Strategies for Building New Economic Opportunities

Module Two: Regional Economic Development 101

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Module Two:

Regional Economic Development 101

This instructor's guide outlines the content, activities and handouts that should be used to teach this section. Refer to this document for detailed guidance on how to deliver each module.

Using Scenarios

Scenarios are utilized in this training for two reasons: first, to challenge participants with situations which represent potential encounters in a controlled, low stress environment, and second, to inject key concepts and leadership dilemmas.

Using the *Participants' Guide*

The *Participants' Guide* contains handouts designed to assist participants in planning their economic development effort.

Group Exercises

This module uses a number of group exercises. Do each exercise – they not only help the participants understand the materials, they also provide a break from listening to presenter and allow the participants to get to know each other a little.

Included group discussions and exercises:

- | | |
|---------------|--|
| Slide 1: | Group introductions; use ice-breaker if desired |
| Slide 4: | How do you define economic development? What is economic development success? |
| Slides 8-9: | Regional Trends - Looks at the impact of trends in the global economy and within economic development. |
| Slides 14-15: | Three Waves of Economic Development - Compares and contrasts local economic development strategies with the Three Waves. |
| Slide 21: | Why This Region? - Explores regional history, structure, commonalities and challenges. |
| Slide 28: | Our Region: Taking Stock - Encourages participants to rate region's strengths and weaknesses. |



References

Blakely, E. & Bradshaw, T. (2002). *Planning local economic development: Theory and practice* (3rd ed.). Thousand Oaks, CA: Sage Publications.

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Drabenstott, M. (2010). Past silos and smokestacks: Transforming the rural economy in the midwest. *Heartland Papers*, (2), Retrieved from <http://www.thechicagocouncil.org/UserFiles/File/Task%20Force%20Reports/Heartland%20Paper%20-%20Rural%20Development%2010.pdf>

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Leiken, S. & Kempner, R. (2010). The challenge of regionalism and the elements of regional collaboration. *Collaborate: Leading Regional Innovation Clusters* (pp. 11-18). Council on Competitiveness. Retrieved from http://www.compete.org/images/uploads/File/PDF%20Files/Final_Collaborate.pdf.



Optional Opening

To ensure productive conversations where everyone is respected, consider using some of the materials from the “Talk Your Peace Civility Project.”

A number of videos do an excellent job expressing the idea that working together as a team increases accomplishments. One to consider: <http://www.youtube.com/watch?v=7EYAUazLI9k>

The video encourages these participant actions:

- **Pay Attention** - Be aware and attend to the world and the people around them.
- **Listen** - Focus on others in order to better understand their points of view.
- **Be Inclusive** - Welcome all groups of citizens working for the greater good of the community.
- **Not Gossip** - And don't accept when other choose to do so.
- **Show Respect** - Honor other people and their opinions, especially in the midst of a disagreement.
- **Seek Common Ground** - Look for opportunities to agree. Don't contradict just to do so.
- **Repair Damaged Relationships** - Be sincere; apologize and forgive.
- **Use Constructive Language** - Be mindful of the words they choose.
- **Take Responsibility** - Practice accountability in language and actions.

Introduce by saying, “Never underestimate the power of a small group of people with a goal and a plan to achieve that goal.”

Instructions:

This slide should be up as people enter the meeting room. If some time has elapsed since Module One, ask if anyone has questions about SET. If new people have joined the group, ask them to introduce themselves – name, organization, why they are here, and what they hope that this project will achieve. Have the others briefly introduce themselves.

Even if this group is somewhat of an established regional group (that is, they've been working on regional issues for some time), we urge you to deliver this module since it is likely to introduce some important new information to the team.

Script:

“We want to welcome you to this second module of the SET program. Today, we're going to talk about Regional Economic Development 101. As you probably know, introductory courses in college seem to always have the number 101 associated with it. So, we see this module as laying the foundation for the important work we have ahead.”



Slide: 1

Time: 5-10 Minutes, depending on number of new people and questions.

Additional Comments:

Be sure to spend as much time as needed to answer questions. It is important that everyone is on the same page before proceeding. Make sure everyone understands that each session will continue to build on previous sessions. Therefore, everyone's participation at each session is vital. Consider putting the training schedule on a poster/flip chart that can be posted in the meeting room.

Instructions:

Use the bulleted items from this slide to provide an overview of this Module.

Script:

“We’ll begin today’s session by seeing if we share a common view of the definition of “economic development.” That may seem easy, but we’ll probably discover that it means very different things to different people, so it’s going to be important for us to have a common understanding of this terminology as we move forward through the SET sessions. Next, we will explore major trends in economic development and see which economic development approaches are being undertaken by local leaders and economic development officials.

Following that, we will discuss what we mean by a region and the variety of ways in which a region can be defined. We’ll take time to explore the important attributes associated with successful regions.

This intended to be an interactive learning session – so I encourage you to stop me at any time to ask questions or to seek clarification of the information being presented.”

Session Overview

- Defining economic development
- Exploring major trends
- Examining your economic development activities
- Defining a region: Different approaches
- Determining key features of successful regions



Slide: 2

Time: 3 Minutes

Instructions:

The activity that follows this slide is designed to build consensus and common language among team members. It is an important key to moving through the rest of Module Two and through the remainder of SET.

Script:

“As we move into the content of SET, having a shared understanding of some important concepts will become very important in ensuring that we are headed in the same direction with common goals we are trying to achieve together.”



Slide: 3

Time: 1 Minute

Instructions:

This is an important starting point. The group will need to come to some common agreement on the question, “what is economic development” and on how they view “success.” Some of the more common definitions that participants may offer include the following: creating economic wealth; increasing income; producing jobs; and improving quality of life. Spending some time trying to arrive at a consensus on the definition of economic development among SET participants is very important before moving forward as a team.

Using a “funnel” method can be an interesting and fun way to bring the group from a wide array of perspectives towards some type of consensus. Start by passing out 3x5 index cards to all participants. Ask each person to take one minute to jot down his/her own definition of “economic development” using no more than two sentences. Tell them that this is not the time to generate a perfect definition, but rather an effort to capture some quick responses. After a minute has passed, have individuals form into groups of two or three people, and ask each of these groups to combine their responses into a single definition. Again, tell them this is to be done quickly (about 5-7 minutes). The point is to reach agreement on the main ideas, not necessarily find a perfected word definition. Continue the process by combining each small group with another group, having the new larger group of four to six people reach a consensus based on the definitions generated by the two smaller groups. Continue combining groups together until you have only one to three large groups left. If your group is more than about 20, you may want to stop when you have combined down to two groups. Have each group write its definition on a flip chart and share with the other group(s), then bring the two or three definitions together for a single definition through a whole group discussion or by simply circling/highlighting the common ideas. Again, it is not necessary to have a polished, fine-tuned definition. The team’s shared understanding of economic development is the key.

To make this activity work and keep the energy high, give each group only a brief amount of time to reach consensus during each of the rounds. Limited time helps the group focus on what is really important in the definition without getting bogged down in debates about the meaning of minor words. Continue the discussion by asking the group to consider what their definition says about what they would consider to be “economic development success.”

Group Discussion

- How do you define economic development?
- What do you view as an economic development success?



Slide: 4

Time: 20-25 Minutes

Additional Comments:

Once the group has had a chance to consider the definitions of economic development, ask them which factors receive the greatest attention from local government and economic development leaders. Are there different views on the components that drive the local economic development agenda? Why or why not?

Continue the discussion by asking the participants how they measure success. Answers will range from measuring the amount of private investment dollars leveraged to counting the number of jobs created. Follow-up these answers with a series of related questions such as: What do these various measures really describe? How helpful are they? Do they provide good metrics of success?

Allow the group to discuss and provide examples from their own experiences or observations.

Script:

“As we move forward together, it is very important to ensure that we are all speaking the same language. We all have our own ideas about what we mean by ‘economic development.’ However, those ideas may not all match. How do you define it? What do these definitions imply? What do you think an economic development ‘success’ looks like?”

We are going to take some time to examine where we are as a group on this important question. Please take one of the 3x5 cards on your table. Think for a moment about how you personally would define ‘economic development.’ Then write your definition on the card. It does not have to be perfect, rather try to get the main ideas of what it means. Limit your answer to no more than two sentences. You will have about one minute to write your thoughts. [Allow time.]

Now, join up with one or two others around you, and combine your answers into one single definition without losing any of the key points found in each. Again, don’t worry too much about finding exactly the right words. Simply look for a definition on which the group can agree. You will have about five minutes. [Allow time.]

Now each team should join with another small group. Again, work to combine your definitions to create one on which you all can agree. [Continue this process until you have only 1-3 groups. If you end with 2 or 3 groups, have each group write their final definition on a chart to share with the other group. Have them at least look at similar wording/concepts. If time allows, have them actually come up with a single common definition.]

What were common themes that you heard throughout this discussion? Based on this definition, how would you view economic development success?” [Allow for discussion.]

Group Discussion

- How do you define economic development?
- What do you view as an economic development success?



Slide: 4 continued

Time: 20-25 Minutes

Additional Comments: Once the group has had a chance to consider the definitions of economic development, ask them which factors receive the greatest attention from local government and economic development leaders. Are there different views on the components that drive the local economic development agenda? Why or why not?

Continue the discussion by asking the participants how they measure success. Answers will range from measuring the amount of private investment dollars leveraged to counting the number of jobs created. Follow-up these answers with a series of related questions such as: What do these various measures really describe? How helpful are they? Do they provide good metrics of success?

Allow the group to discuss and provide examples from their own experiences or observations.

Instructions:

The first major section of this module begins with a view of the big picture issues and trends taking place at the global level, conveying to the regional team that many of the shifts taking place at the international level get played out in their own communities, counties (parishes) and regions. It is important to review some of these key global issues.

Script:

“Let’s begin by looking at some of the major trends that are impacting the global economy and at what they mean for economic development in your region.”



Slide: 5

Time: 1 Minute

Instructions:

The Economic Development Administration's *Know Your Region* training materials and other research reports identify some important mega-trends taking place at the global level. Highlight these key shifts, and encourage the group to comment on any of the items they see on the list. They may want to add other items to the list as well.



Mega-Trends: Global Economy

- Economic downturn; declining public funding
- Loss of manufacturing jobs & growth of service industries
- Polarization of work reflecting knowledge, skills & abilities
- Outsourcing that divides "value-chain" functions into more productive, interdependent activities
- Increasing importance of creative & knowledge economies
- Specialization of regions & communities
- Connections among places with complementary specializations or resources
- Growth of entrepreneurs & the self-employed

Adapted from *Know Your Region*

Script:

“An extensive amount of research work has focused on these mega-trends impacting the global economy. [Talk through the items listed on the slide, and refer to the notes below to clarify the items, as needed.]”

Economic downturn: The downturn in the U.S. and global economy has shifted how we measure wealth (e.g., a home may no longer be a stable investment in some areas), changed how people view savings (we see an increase in the personal savings rate in the country), and slowed job creation dramatically. The challenges that some European Union counties are experiencing, the fledgling movement toward democracy in countries like Egypt, high oil and gas prices, and the emergence of China, etc. are all challenging our traditional approaches to economic development.

Loss of manufacturing jobs and growth in service industry: For example, if you examine industry in many parts of the world, you'll discover the lifeblood of their economies has historically been manufacturing and agriculture. Increasingly, the growth industry in many countries is now service-related industries.

Polarization of work reflecting knowledge, skills and abilities: Employment and jobs are being polarized where wages tend to reflect the unique knowledge, skills and abilities of workers. Unskilled production and assembly jobs are becoming more and more scarce.

Outsourcing that divides 'value-chain': Many of the business activities traditionally done in-house are now being outsourced. Auto 'manufacturers' today are really 'assemblers' as they manufacture very few of the components of a car. Instead, most are purchased from other vendors. Even in the non-manufacturing sector, outsourcing can be seen through payroll, human resources, marketing, graphic design, programming, etc.

Slide: 6

Time: 5 Minutes

Additional Comments: Economic Development Administration. (2011). Module 1: Collaborate RED framework. *Know Your Region*, Retrieved from <http://www.knowyourregion.org/workshop-modules/collaborative-red-framework>

Importance of creative/knowledge economies: If you've read any of the works of Richard Florida over the past few years, then you know he has offered a very compelling argument that the future health of local economies is linked to a community's ability to attract creative and knowledge-based workers or to generate jobs that seek these types of talented individuals.

Specialization of regions and communities: Regions and communities are becoming more specialized and connected to other non-contiguous places. Places are more frequently connecting to other places with complementary specializations. Focus is on the industry/businesses that can use the region or community's skilled workforce, resources and assets.

Expanded growth of entrepreneurs and the self-employed: Across the world, a growing number of people are starting their own businesses, many as self-employed people. For example, over the past two decades, the number of self-employed people in rural America has grown by 2 million and now represents over 20 percent of its workforce. Estimates suggest this rate will continue to accelerate over the next decade or more."

Mega-Trends: Global Economy

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- Outsourcing that divides "value-chain" functions into more productive, interdependent activities
- Increasing importance of creative & knowledge economies
- Specialization of regions & communities
- Connections among places with complementary specializations or resources
- Growth of entrepreneurs & the self-employed



Adapted from *Know Your Region*

Slide: 6 continued

Time: 5 Minutes

Additional Comments: Economic Development Administration. (2011). Module 1: Collaborate RED framework. *Know Your Region*, Retrieved from <http://www.knowyourregion.org/workshop-modules/collaborative-red-framework>

Instructions:

Again, highlight some of the items listed on the slide.

Script:

“Now, let’s look at some of the mega-trends that deal specifically with economic development. You may note that not all of these trends are necessarily ‘good things’ happening in the economic development arena. Instead, some actually discuss some of the traditional ways we have approached economic development – approaches that may not work very well in today’s global environment. [Review the list making comments to clarify as needed, using the notes below.] Where do you see disconnects between these mega-trends in economic development and the global economy mega-trends we discussed on the previous slide? Where do think they complement one another?”

[Here are some comments you might want to make on some of these items:]

Continued focus on companies rather than industries and people: Every morning when economic development leaders wake up and get on with their work, many are still focusing on attracting a major company to their community. It doesn’t matter to them what type of company they capture, they just want to get the number of jobs they have attracted to go up. Might it be a better strategy to recruit specific firms that can further strengthen and add value to one of the region’s key industrial sectors, especially if it’s a sector that is likely to enjoy stability or growth over the long term?

Need for talented workforce to be competitive: Manufacturing in the rural U.S. represents a great example of this point. Years ago, manufacturing plants that located in rural areas were looking for cheap, low-skilled labor. In order to survive in today’s global environment, manufacturing plants have had to raise the skill requirements of their workers and introduce technological innovations.

Greater scrutiny of public economic development investments: The debate about the benefits and costs of offering incentives to companies to locate to a state or community remains pretty heated. Do publicly paid incentives for such purposes work? The research seems to be mixed, and with the increasing scrutiny by citizens on how taxpayer monies are used, this is a debate that is likely to rage on for some time.”

Mega-Trends: Economic Development

- Emphasis on job creation
- Continued focus on companies rather than industries or people
- Loss of private sector leadership
- Need for talented workforce
- Greater public scrutiny of investments
- Need for economic developers with new skills in marketing and networking



Slide: 7

Time: 3 Minutes

Instructions:

Handout One provides more information on the global and economic development trends that should be included in the participant's workbook materials.

Script:

“Please look at Handout One, which highlights more trends than what we have explored on these two slides. We will use this handout to help consider how these mega-trends might be evident within your region.”

[Go to the next slide for instructions.]



Slide: 8

Time: 1 Minute

Handout One:
Mega-trends in the Global
Economy

Instructions:

After briefly discussing the global trends and the changes taking place in the economic development arena, ask the participants to discuss how they have witnessed some of these trends in their own communities. How are these trends impacting their communities (or the region) and their daily work? Which trends pose the most obstacles for their community or the work being carried out by local economic development practitioners? Which trends are new to the regional team?

An alternative: Ask the group, “What are the trends impacting this region?” and write responses on the flip chart. Ask the participants to pair up with another person in the group. Ask them to select, or you can assign to each pair, a different trend listed on the flip chart to discuss more thoroughly. After a few minutes, ask them to report their observations to the entire group.

Write the additional comments from the small group presentations on the flip chart. At the end of the script below is a list of possible implications for the group to consider, if they have not already touched on them. Use the list to ask guided questions, if needed, to spur additional thinking and discussion.

Script:

“Take a few minutes to review the information on the handout. What do you think has been the impact of these trends on your own communities or region?” [Make this an open discussion with the entire group taking part].

Alternative Approach: “Find a partner and select one of the trends. Discuss how you feel this trend is impacting your region and explain why. [You may decide to assign a trend to each pair of participants instead as a way of making sure all trends are covered.]

Please be prepared to share the highlights of your discussion with the entire team. I’ll give you 10 minutes to work on this.”

With a Partner...

- Select a trend you believe impacts this region.
- Discuss the trend’s impact and importance.
- Be ready to share with the entire SET team.



Slide: 9

Time: 15-20 Minutes

Additional Comments: Write some of the key points coming from these small group discussions on the flip chart. Look at the list below for some possible implications that you may want to raise if they were overlooked. Potential implications of these trends and suggested guided questions, if needed:

Innovation is critical: What trends require thinking and doing things in new ways?

Regionalism matters: How would working regionally vs. working as individual counties affect success based on these trends?

Process matters: How would these trends impact the process we might choose to achieve economic growth?

Efforts must consider both regional assets and obstacles: What would be some of the important regional elements to consider in face of these trends?

Success requires capacity, buy-in and legitimacy: What would it really take for all of our separate counties/communities to work together to capitalize on these trends as a region?

Mindsets must be aligned to the new realities: How can a common understanding of these trends help move this regional group forward?

Economic development and workforce development must be linked: What do these trends say to you about linking all of the related sectors – business, education, etc.?

Instructions:

This begins an exploration of the types of economic development efforts that the participants' communities, counties (parishes), and/or region have undertaken in the recent years. Comparing and contrasting these activities in light of the mega-trends will help generate a common understanding of "where we stand" as a region.



Script:

“Up to this point, we have discussed some of the big trends taking place across the nation and world and how they have impacted the economies of many countries and states. Now, we want to focus a bit closer on the home front, on the economic development activities taking place in our own backyard – in our communities, counties (parishes) and regions. We want to consider whether these local initiatives are sensitive to, or are aligned with, some of the mega-trends just discussed, or whether our local efforts are paying very little attention to these larger global issues.”

Slide: 10

Time: 1 Minute

Instructions:

Highlight some of the key points associated with the three waves. Note that for each wave, the key goal, the strategies that are typically associated with that approach, and the manner in which success is determined for that specific economic development wave are summarized.

Script:

“The evolution of economic development is often discussed in terms of the ‘three waves.’ The FIRST WAVE was dominated by programs specifically designed to attract footloose firms from old industrial areas to growing regions, such as the South or West. The typical tools included subsidized loans or direct payments to firms for relocation expenses, tax reductions, subsidies applied to the cost of plant facilities or utilities, and competitive and expensive industrial recruitment programs. The building of industrial parks was also part of the first wave strategy.

By the early 1980s, states began operating many SECOND WAVE incentives, ones that shifted focus from attracting out-of-state firms to retaining and expanding existing firms. With the introduction of deregulation in the early 1980s, firms had to find ways to reduce costs in order to compete. In some cases, manufacturing firms embraced lean manufacturing strategies in hopes of reducing inefficiencies in their production activities. Other companies consolidated in order to reduce costs. It was during this period that job training and technical assistance activities targeted to businesses were on the rise, including support for business start-ups. The bottom line was to strengthen the health of existing industries.

The second wave has now given way to the THIRD WAVE which shifts the focus to regional competitiveness, focusing on efforts to promote innovation and entrepreneurial activities. In some cases, attention is given to the strategic linking of similar types of businesses in order to create clusters. In other situations, the focus is on unique regional assets or amenities (such as the growth of the artisans region in North Carolina under the banner of Handmade in America). A third aspect of this wave is focused on seeding the growth of entrepreneurs as a way of introducing new products or services, especially products and services that relate to and help strengthen the regional aspects of the economy.

Many regions are now pursuing some combination of these regional strategies. In some cases, this includes the building of the right regional governance structure to help get these types of efforts off the ground. Leadership development activities have been a fruitful way to help create and strengthen the emergence of effective regional governance structures.”

Three Waves of Economic Development

Component	First Wave	Second Wave	Third Wave
Goal	<i>Industrial Recruiting:</i> Attract outside businesses	<i>Cost Competition:</i> Retain and expand existing businesses	<i>Regional Competitiveness:</i> Enhance regional resources to promote regional collaboration and clusters
Strategies	Provision of financial incentives Building of industrial parks	• Reduction of taxes • Deregulation • Industry consolidation and cost cutting (i.e., lean manufacturing)	• Entrepreneurship • Regional collaboration • Identification and development of regional clusters and import substitution activities
Keys to Success	Offer government funds for subsidies and tax breaks Develop an industrial infrastructure	• Develop training programs • Strengthen the health of existing firms • Provide social and physical resources	• Build on unique regional assets (such as human capital, amenities, creative economy, innovation) • Focus on leadership development • Develop/maintain quality environment • Bridge economic and community development

Source: Blakely & Bradshaw (2002); Drabentstott (2006); Hembd (2008)

Slide: 11

Time: 5 Minutes

Additional Comments:

Sources for this information include:

Blakely, E. & Bradshaw, T. (2002). *Planning local economic development: Theory and practice* (3rd edition). Thousand Oaks, CA: Sage Publications.

Drabentstott, Mark. (2006). Rethinking federal policy for regional economic development. *Economic Review*, 91(1), Retrieved from <http://www.frbkc.org/Publicat/Econrev/PDF/1q06drab.pdf>

Hembd, J. (2005). Community sustainability, Foundations of practice in community development. *Community Development Core Competencies for Extension Professional in the North Central region*, Retrieved from <http://srcd.msstate.edu/fop/levelone/trainarc/08fall/hembd.pdf>

Instructions:

This slide and the next can be used as a compliment or replacement for the “Three Waves” slide.

Script:

“Another way to consider the changes in economic development is to look at the shift that is occurring. In the past, the primary approach was a focus on attraction (e.g., the effort to incent a company to move from an existing location, generally within the U.S., to another location in the U.S.) with little focus on supporting and retaining existing businesses.

Too often the message was that our location is a ‘cheap’ place to do business (e.g., we have cheap land, cheap labor [people who work for low wages], and low or non-existent taxes). A great physical environment (parks, bike paths, vibrant downtown, social activities, etc.) was considered a luxury, as we had to use available financial resources to attract the companies, not create a great community.

Most communities and regions worked hard to develop a competitive advantage in a resource (wood, a particular industry, lots of water, workers with a specific skill). They tended to ‘win’ because of this advantage. One example is regions that had a concentration in the auto industry. Because of that concentration, they tended to attract more linked businesses.

Economic development was also always led by a state or local government agency with little input or involvement from the business community or the nonprofit sector.”

OLD Economic Development

Successful places...

- Touted a cheap place to do business
- Focused on attracting companies
- Fostered a cost-conscious physical environment
- Had a competitive advantage in some resource or skill
- Had government-led economic development



Slide: 12

Time: 3 Minutes

Instructions:

Again, this slide and the previous slide can be used in addition to, or in place of, the “Three Waves” slide.

Script:

“Economic development now focuses much more on creativity, entrepreneurial spirit and range of worker talent. Available land, low taxes and incentives are still factors, but not the primary factors as in the past. There is a strong focus on the region, rather than a single community. To be successful, these regions must have the ability to learn and adapt to the changing global economy.

Most importantly, economic development today is successful only when a partnership between the business, government and nonprofit sectors exists. By working together, they can create a community/region that is attractive to new residents (workers) and businesses, while continuing to provide for the existing businesses and residents.”

NEW Economic Development

Successful places...

- Are rich in ideas and talent
- Attract educated people
- Provide physical and cultural amenities
- Have organizations and individuals with the ability to learn and adapt
- Embrace bold partnerships among business, government and nonprofit sectors



Slide: 13

Time: 2 Minutes

Activity:

This is a great way for the teams to take note of the fact that their economic development approaches may be out of synch with current realities.

Use the format on the next slide to record their strategies on a flip chart.



Economic Development: Which Strategies are You Pursuing?

- Industrial recruitment & attraction
- Business retention & expansion
- Small business development
- Entrepreneurship/business incubators
- Micro-enterprise development
- Downtown revitalization
- Workforce development & training
- Economic gardening
- Economic/occupational clusters
- Information technology infrastructure
- Building on local assets (tourism, recreation, physical and/or cultural amenities)
- Attracting creative & educated people
- Value-added agricultural enterprises
- Others?

Script:

“Look over the items listed on this slide. Which approaches would you say are being used by communities (or counties/parishes) located in this region? To which of the waves do they relate? Do they reflect ‘old’ or ‘new’ economic development strategies? Work with a partner (or a small team of 3-4 people), using the format on the next slide, to record your answers. After a few minutes, we will discuss as a group.”

Slide: 14

Time: 3 Minutes

Activity: Partner Exercise

Handouts:

Two - Three Waves

Three - Current Strategies Chart

Instructions:

Have participants use this format to record their answers. A copy of this table and the Three Waves chart on slide 11 are on Handouts Two and Three. Have the group report back and record on a flip chart.



Current Strategies (List below)	Which "Wave" (1 st , 2 nd or 3 rd)?

Script:

“What are some of the local economic development strategies currently being pursued by communities or counties (parishes) in this region? To which ‘wave’ does each strategies best relate? Using the form in your handout (that looks like the one shown on this slide), make a list of these current strategies.

[Allow time for small groups to work. Once they have identified a few strategies and the related wave, stop the groups and get reports from them. Note key points on flip chart paper.]

What do these observations tell you about the current strategies used in this region?”

Slide: 15

Time: 10 Minutes

Activity: Partner Exercise

Handouts:

Two - Three Waves

Three – Current Strategies Chart

Instructions:

This begins a shift to a discussion of regional development. We offered participants the opportunity to discuss and debate local economic development activities since they are likely to be familiar with this topic. However, regional economic development is a topic with which they may be less familiar (unless the group is part of a regional team that has been working for some time on regional development strategies).



Slide: 16

Time: 1 Minute

Script:

“We have discussed local economic development strategies because these are the ones with which we are typically most familiar, the ones we have observed first hand in our own communities or counties (parishes). Now we want to shift gears and discuss regional economic development – a topic that is usually less familiar to local governments, community leaders or residents in your region.”

Instructions:

Share with the group some of the attributes associated with the term “region.”

Script:

“What does ‘region’ mean? A region is simply a geographic area that is similar on some dimension, such as physical geography, ecology, economic characteristics, social characteristics, etc. A set of regions constitute areas that are similar within but different between. For example, one region could be dominated by agriculture while another region could reflect a strong concentration of health-related firms. While each region has a certain amount of commonality internally, when you compare one region to the other one, they are quite different.

Regions can be established to serve different purposes. They provide:

- Units of analysis for tracking trends (For example, we can track regions that share a common population feature, such as high concentrations of retirees.)
- Areas that help capture various kinds of economies of scale (such as an automobile industry cluster)
- Units relevant for planning or policy application (such as a water management district or regional planning districts)”

What is a Region?

- Geographical area of similar characteristics:

- Similar within
- Different from other places



- Place with a unique identity and meaning



Slide: 17

Time: 2 Minutes

Instructions:

Ask participants to indicate the type of region they use most frequently when it comes to making decisions about the area's economic development plans and strategies, and ask them to explain why they use that regional identifier. Would the efforts they are undertaking be modified if they were to use a different "type of region" to guide their work? Why or why not?

Types of Regions

- Functional
- Economic
- Political
- Administrative
- Data
- "Issue"



Each of these regions is valid. Which one you use simply depends on what you are attempting to do.



Script:

"You can find a variety of regional types locally. Several of these are listed in this slide. Can you identify some examples of these types of regions in this area? [Allow for responses.]

All of these are valid regions, yet each functions quite differently. Thus, deciding on the type of region you want as the focus is very important in determining what your intended goals as a regional team are likely to be."

Slide: 18

Time: 2 Minutes

Additional Comments:

Regions can be defined in many different ways as described below. Regional team members may have to modify the way they define their region depending on the specific goals they seek to achieve. Here are different ways in which regions can be determined and some examples associated with these types.

Functional Region

example: watersheds

Economic Region

example: labor markets

Political Region

example: congressional and legislative districts

Administrative Region

example: school districts, water management districts, county boundaries

Data Region

example: metropolitan areas, commuting patterns, retirees, Latino/Hispanic population, shopping areas, census tracts

"Issue" Region

example: persistent poverty areas, high crime areas

Instructions:

Regional teams need to understand that there is not a “one size fits all” definition for a region. Instead, flexibility and relevance are key to determining the right mix for a region.

Script:

“The most important point from this slide is that no single definition is going to cover all the angles when it comes to determining your region. Too often, groups have a tendency in economic development to define a single relevant economic development planning jurisdiction that is then used for every situation or purpose. However, appropriate planning regions may vary depending on the concern or application at hand. For instance, a strategy designed to grow one industry may require a different region than a strategy designed to grow another industry, depending on the specific situations and needs of each of these industries. Thus, flexibility is key to the concept of regional development!”

Determining Your Region: A Caution

- A local area may be part of multiple relevant economic development regions.
- A single definitive region seldom exists for any locality.



The appropriate region will depend on current strategies and concerns.



Slide: 19

Time: 1 Minute

Instructions:

This slide provides an overview of key considerations SET participants should remember when attempting to define and analyze their region.

Script:

“One of the challenges in structuring a region is that our neighbors might not be the best fit. In fact, sometimes neighboring counties have nothing in common. Depending on the regional goals, partnering with groups outside of adjacent counties or even out of state may offer greater opportunities for economic development and growth. The bottom line is this – start with what makes sense.”

Defining Your Region Start With What Makes Sense

- Identify counties with common elements
- Look beyond traditional boundaries
 - State lines
 - County lines
 - Rural/Metro lines
- Find areas that share interests and goals



Slide: 20

Time: 1 Minute

Instructions:

This discussion is designed to help the group apply the principles they have just explored to their own situation. Begin a conversation with the group about its reason for existence, its history and its structure. This may also be an opportunity to introduce some basic demographic data on the region such as the brief regional profiles developed by the Southern Rural Development Center. As appropriate, you may add some data on small businesses, self-employed, income data, commuter patterns and/or an industrial profile.

Basic demographic and economic data on the counties in the region should help the group identify commonalities and differences. Use the guiding questions on the slide as well as the suggestions below to help the group examine the reasons they are together as a “region.”

Script:

“Now that we have explored some general considerations for defining a region, let’s take some time to consider how they apply to this region.

[For an existing group or a group that has some history of working together:]

- Why does this group exist?
- What is the group’s history?
- What is its structure?
- What are the things that make this a region? What brings you together?

[For a new group:]

- Why was this geographic group of counties/parishes selected?
- What makes this a region?
- What do you have in common? What are your challenges?
- What is the potential focus for this region?”

Why This Region?

- Why was this mix of counties selected?
- What makes this a region?
- What do you have in common? What are the challenges?
- What is your collective history & structure?
- What might be the focus for this region?



Slide: 21

Time: 5 Minutes

Instructions:

The final section explores the elements of successful regional economic development. Encourage participants to consider their own region as you explore these elements together.

Script:

“During this last segment, we will explore elements of successful regional economic development initiatives, including advantages, policy principles and characteristics of successful regions. As we explore these concepts, think about your region and how well it reflects the important features of regions noted in these next few slides.”



Slide: 22

Time: 1 Minute

Instructions:

The three Cs offers a nice way to show why a regional approach is important. It does help promote conversation, connection and capacity.

Script:

“A simple and straightforward way to demonstrate the value of a regional approach is to highlight what the Council of Competitiveness noted it is 2010 document, ‘Collaborate: Leading Regional Innovation Clusters.’ The report says regionalism helps promote the three Cs: Conversation, Connection and Capacity.

Conversation: Helps promote discussions among public and private sector leaders and local residents, builds regional awareness, and focuses on consensus-building with an eye toward the future. One of the major challenges of regional economic development is coordinating local jurisdictions that have little history of working together. A key benefit of regional development is that it requires local governments, local economic development organizations, business leaders, education leaders, residents, and others to talk – to have a conversation that focuses on the future of the region. The intent is to build awareness of the possibilities that exist when a region works together.

Connection: Regionalism is often described as a ‘contact sport’ that requires personal interactions at every stage of the game. When businesses consider coming to a region, they may want to look for a well-trained workforce, innovative job training centers, quality health care, decent schools, good infrastructure (such as broadband), adequate financial services, and more. A smaller community or county (parish) would be hard pressed to have the full slate of resources these businesses need unless they can creatively weave together the different people, groups, resources, and services at the regional level. Pursuing personal connections to assemble the needed expertise and resources is critical. In fact, SET helps groups build these types of connections as a regional team.

Capacity: Helps leverage key assets; it weaves the system of support needed to create and attract businesses. Pursuing a regional approach helps develop a mindset – a culture – in which your team begins to think like a region. You work to leverage the unique assets of different communities – their businesses, institutions, labor force, facilities, and services – in ways that bring new economic opportunities and benefits to the entire region.”



Slide: 23

Time: 5 Minutes

Additional Comments:

The discussion of the three Cs is drawn from the 2010 report by the Council on Competitiveness titled, *Collaborate: Leading Regional Innovation Clusters*. It is available online at: http://www.compete.org/images/uploads/File/PDF%20Files/Final_Collaborate.pdf

See also: Cheryl A. Burkhart-Kriesel (2002) and Sara Lawrence (2001). The full references for these two documents can be found at the beginning of this module.

Instructions:

As a follow-up to the three Cs, this slide discusses what Mark Drabenstott has identified as the key elements of a new game plan – a plan that focuses on regional development. Discuss the three bullets on this slide.

Script:

“In our discussion of the three waves of economic development, we noted that the THIRD WAVE deals with regional competitiveness. In a recent article, Mark Drabenstott offers some insight on what must be done to foster regional development as a vehicle for encouraging economic growth. He says it is important to incorporate the following three elements into your plan:

Build regional critical mass: The era of developing a single community or county (parish) is over. Instead, building a critical mass is essential if you want to achieve any degree of success. [This is similar to the discussion of Connection and Capacity presented in the previous slide.]

Prioritize investments in public goods and services: It is important to determine each region’s unique competitive advantage in the global marketplace and then to invest in those public goods and services that can help maintain and strengthen that regional competitive edge. Making targeted investments in public goods and services will pay important dividends to the region.

Spur innovation to transform a region’s economy: The region’s ability to compete will require creating an environment where innovation is encouraged and supported. Examine the resources existing in your region (such as universities/colleges, community colleges, technical schools, business incubators) that serve as important seeds of innovation and ideas.”

A New Game Plan:
How to Pursue Regional Economic Development

Three major components:

- Build regional critical mass
- Prioritize investments in public goods and services
- Spur innovation

Based on 20 case studies around the world. Reported in Drabenstott (2010)

Slide: 24

Time: 4 Minutes

Additional Comments:

The information highlighted in this slide is drawn from the article *Past Silos and Smokestacks: Transforming the Rural Economy in the Midwest*.

Find it online at:

<http://www.thechicagocouncil.org/UserFiles/File/Task%20Force%20Reports/Heartland%20Paper%20-%20Rural%20Development%2010.pdf>

Instructions:

To build on his comments regarding a new game plan, Drabenstott then offers seven principles associated with regional economic development – principles to which countries across the world are paying attention in their quest to establish competitive rural regions.

Script:

“As a follow up to his three key elements of a new regional economic development game plan, Drabenstott highlights seven important policy principles that countries around the world are now embracing in their quest to create competitive rural regions.

Seize regional competitive advantage: You must pool local knowledge on distinct regional assets and then identify the best competitive advantage based on the region’s resources, strengths and locations.

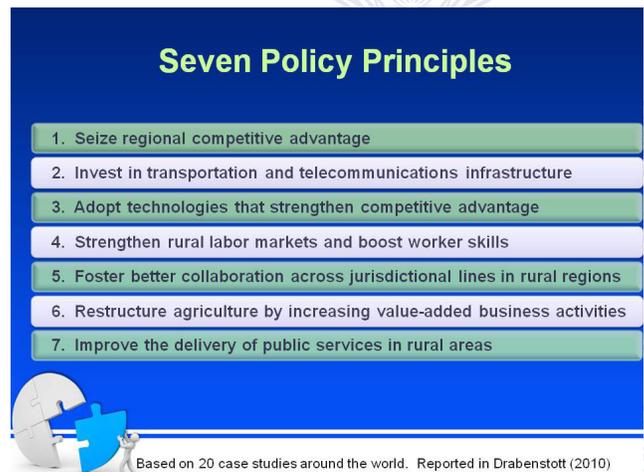
Invest in transportation and telecommunications infrastructure: Transportation infrastructure remains important to rural areas. Explore ways to link rural regions and their associated business clusters with vibrant innovation networks located in urban areas as a way to spur rural innovation using both your region’s transportation and telecommunication infrastructures.

Adopt technologies that strengthen competitive advantage: A broad range of technologies will be critical in giving rural regions an edge in competing globally against regions that have much lower labor costs.

Strengthen rural labor markets and boost worker skills: Rural regions must train their workers for a whole new generation of jobs.

Foster better collaboration across jurisdictional lines in rural regions: Individual local governments must replace competition with cooperation, which is not an easy task.

Restructure agriculture by increasing value-added business activities: Traditional agriculture focuses on commodity production. The new agriculture aims to capture value in a far broader range of business activities, including



Slide: 25

Time: 5 Minutes

Additional Comments:

The information highlighted in this slide is drawn from the article *Past Silos and Smokestacks: Transforming the Rural Economy in the Midwest*.

Find it online at:

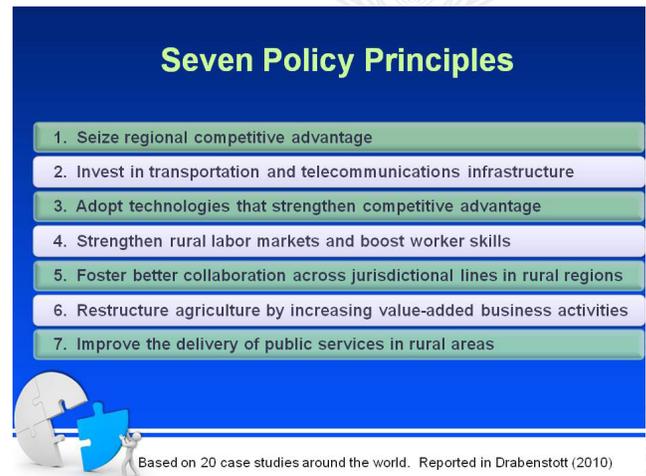
<http://www.thechicagocouncil.org/UserFiles/File/Task%20Force%20Reports/Heartland%20Paper%20-%20Rural%20Development%2010.pdf>

Script (Cont.):

regionally branded high-value foods, alternative forms of energy, and livable landscapes, sometimes referred to as multifunctional agriculture.

Improve the delivery of public services in rural areas:

The shift to regional economic development carries with it the need to rethink and align the delivery of public services. This encompasses issues such as telemedicine and distance learning, which enable rural areas to tap state-of-the-art services at the lowest possible cost, enhancing their ability to compete economically.”



Seven Policy Principles

1. Seize regional competitive advantage
2. Invest in transportation and telecommunications infrastructure
3. Adopt technologies that strengthen competitive advantage
4. Strengthen rural labor markets and boost worker skills
5. Foster better collaboration across jurisdictional lines in rural regions
6. Restructure agriculture by increasing value-added business activities
7. Improve the delivery of public services in rural areas

Based on 20 case studies around the world. Reported in Drabenstott (2010)

Slide: 25 continued

Time: 5 Minutes

Additional Comments:

The information highlighted in this slide is drawn from the article *Past Silos and Smokestacks: Transforming the Rural Economy in the Midwest*.

Find it online at:

<http://www.thechicagocouncil.org/UserFiles/File/Task%20Force%20Reports/Heartland%20Paper%20-%20Rural%20Development%2010.pdf>

Instructions:

The following two slides are intended to provide a summary of some of the important characteristics of a successful region. After reviewing both slides, ask participants if they agree with these characteristics. Are there other characteristics the participants feel are missing from the slides? If so, what are they? Which ones do the participants feel are the most important for a region to be successful?

Remember that the discussion of these characteristics continues onto the next slide.

Script:

“We want to conclude this module by highlighting some of the important characteristics of successful regional economic development initiatives. On this slide and the next one, we have listed some of the key features of successful regions. As you think about these, consider where this region stands and where the opportunities are for growth.

- **Leaders that recognize the new realities of economic development** – those that understand that economic development strategies of the past are not likely to be successful in the future
- **Collaboration across the region** – organizations with a history of working together across geographic boundaries and jurisdictions
- **A global view** – having an understanding that the bigger picture of global trends will impact the economic development of the region
- **An understanding of current strengths and weaknesses** – having a clear, realistic understanding of both the assets and barriers the region possesses
- **Flexibility and adaptability** – a willingness to shift the course appropriately to respond to new opportunities or challenges”

[Continue onto the next slide.]

Successful Regions Have...

- Leaders that recognize new realities of economic development
- Commitment to collaboration
- Global view
- Understanding of current strengths and weaknesses
- Flexibility and adaptability



Slide: 26

Time: 5 Minutes

Instructions:

This slide continues the discussion of the characteristics that help make regions successful. Continue walking through these characteristics, and then lead a discussion about the list.

Ask participants if they agree with these characteristics. Are there other characteristics participants feel are missing from the slides? If so, what are they? Which ones do the participants feel are the most important characteristics of successful regions? Which ones would they claim are the least important? Why?

Which of these characteristics are already present in this region? Which ones are not present or are very weak at this time – especially those the team needs to help improve over time?

Script:

“Continuing from the previous slide, successful regions also have:

- The capacity to respond; a structure to support activities
- A comprehensive view of development
- A mechanism for continuously searching for opportunities
- A way to evaluate impact

What do you think of these characteristics? Do these make good sense? Are there characteristics that are missing from the slide? If so, what are they? Which of these do you feel are the most important characteristics of successful regions? Which of these are the least important? Why?

Bringing the conversation a little closer to home, how does this region rate on these characteristics? Which of these are already strong characteristics in the region? Which ones may need focused attention to grow?”

Successful Regions Have....

- Capacity to respond; Structure to support activities
- Comprehensive view of development
- Mechanism for continuously searching for opportunities
- Way to evaluate impact



Slide: 27

Time: 5 Minutes

Instructions:

This Group Exercise is designed to guide the team in considering where their region stands in light of some of the elements of successful regions discussed in this section. Set the activity up in one of two ways. (1) Ask the group to identify 5-7 key themes they heard related to successful regions. As they identify these, list each one on a separate page of chart paper. Post these around the wall. OR (2) Start with sheets prepared ahead of time using the following themes or ones you would like to highlight: competitive advantage, infrastructure investments, worker skills, cross jurisdiction collaboration, global view, assessment of current strengths/limits, flexibility/adaptability, and comprehensive approaches. Post these sheets around the room.

Next, give each participant several red, yellow, and green sticky dots. Explain that over the next few minutes they will walk around the room to the different charts and assess where they think the region stands by placing dots on the charts. Red means the region needs lots of work on that theme. Yellow indicates some progress has been made but there is considerable room for improvement. Green means the region has made solid progress in this area and is in pretty good shape.

Once all the participants have walked through this reflection, lead a standing discussion around the following questions.

Based on the dots you see under each theme:

- What is this region's greatest strength at this point (i.e. most green dots)? What has helped lead to this success?
- Where are areas that need the most work (most red dots)? What have been some barriers in this area? What could help the region improve here?
- Where does there seem to be the most diversity of opinions (greatest mix of red, yellow, and green dots)? Why do you think that diversity exists?
- Other observations?

Script:

“We have explored a lot of information about successful regional economic development in a changing world. In this final portion of Module Two, we want to zero in on the core components of a successful region.



Slide: 28

Time: 15 Minutes

Activity: Group Exercise

Script (Cont.):

[Depending on the approach you choose from the options above, prepare and set up the charts around the room.]

These charts reflect the key elements of successful regional development that we have discussed in this module.

Consider for a moment how you would rate your region on each of these elements. In a minute, I will give you time to walk from chart to chart and rate your region on each of these themes. If you think the region really needs a lot of work in that area, then place a red dot on the chart. If you think, however, that some progress has been made but there is still some room to improve, then place a yellow dot on the chart. Finally, if you feel your region is doing a good job on this dimension, then give it a green dot. After everyone has had a chance to reflect and place a dot on every chart, we will look at our collective assessments. [Provide participants with colored dots and allow them time to walk around the room and reflect.]

[Once all the participants have walked through this reflection, lead a standing discussion around the following questions.]

Based on the dots you see under each theme:

- What is this region's greatest strength at this point (i.e. most number of green dots), that is, where are they in pretty good shape? What has helped lead to this success?
- What areas need "lots of work" – areas that will require the greatest amount of improvements (most number of red dots)? What have been some barriers in this area? What could help the region improve here?
- What components are getting mixed reviews in terms of their strength in the region (a good mix of red, yellow, and green dots)? Why do you think that diversity exists?
- Other observations?

As we continue to dig deeper into the many aspects of regional economic development work, keep these basic themes in mind as to the various ways in which your region can be strengthened."



Slide: 28 continued

Time: 15 Minutes

Activity: Group Exercise

Instructions:

Ask the group these important questions as you wrap up Module Two.

Script:

“I’d like to take the last few minutes of our meeting to ask some important questions about Module Two. What do you see as the takeaways from our session together? What did you think was most useful? What topics did you feel were less important or relevant to your regional team?”

Given what we have discussed in Module Two, are there other people that we need to invite to be part of your SET team? If so, who are they and who is going to invite them to come to our next session?”

Any final thoughts or issues you want to offer at this point?”

Final Reflections

- Key takeaways from this module?
- Most helpful information? Least helpful?
- Action items on this topic before the next SET meeting?
- Additional participants needed for next SET session? Who will contact?
- Other items?



Slide: 29

Time: 3 Minutes

Instructions:

Quickly review the SET modules we've covered up to this point, and note that the next section focuses on "Building a Strong Regional Team." Having the right mix of partners working collaboratively is essential to the success of the regional initiative.

Script:

"Let's recap where we've been up to this point in our SET program. We've taken a broad look at the SET planning process and introduced you to key concepts of regional development. Next time, we will share some insights on the important elements of a strong regional team."



Slide: 30

Time: 1 Minute

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