
Overview Panel Comments

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This article is a synthesis of some of the findings of this conference. Together with our experiences in central California, I believe we have provided some rich and enlightened thinking about how key institutions can work together to build a new economy in rural regions.

As we begin to think about this daunting issue, it is important to recognize Seth Godin's statement: "The first 100 years of our country's history were about whom could build the biggest, most efficient farm. The second 100 years were about the race to build efficient factories, and the third 100 years are about ideas" (Godin, 2000).

OPPORTUNITIES FOR RURAL REGIONS

Based upon what has been presented at this conference, and my experience, I would like to suggest that the following seven key components are important to seize the opportunities, which are available to rural regions: the importance of place, involvement in the rural region, building an entrepreneurial culture, spirit of collaboration and cooperation, financial investment, strengthening infrastructure, and alignment with regional goals.

The Importance of Place. Place does matter. However, more importantly, as Doug Henton points out, it's the "quality of place that matters." Places need to be distinctive and characterized by quality of life, innovation, and an entrepreneurial culture. It also pays to be hip and able to move fast (Henton, 2003).

Certainly, the presentations on northeast Minnesota and Austin, Texas, reaffirm the importance of place.

Involvement in the Rural Region. It is essential to have an institution of higher education involved in the rural region. The actual existence of a college or university is not sufficient alone. It is essential that the college or university is fully engaged as Jischke points out. As described by Jischke, engaged means that there is a two-way flow of ideas and information between the college or university and the region (Jischke, 2004). It is also important to recognize that a community college, regional university, or research university can play a unique role.

If a region does not have a research university, the regional university can play a significant role, but it does require the regional university to access research and ideas, which can play a key role in the region. Obviously, we have seen the northeast Minnesota example to demonstrate that community colleges can play a major role. As the Milliken Institute points out: "The single factor with the greatest power to explain differences in per capita income between states is the percentage of college graduates" (DeVol, 2002). This is also true of regions.

Building an Entrepreneurial Culture. Building an entrepreneurial culture in the region is essential. This culture must exist in the private and the public sector. The local institution of higher education should play a major role in teaching entrepreneurial principles and in encouraging entrepreneurial behavior. The entrepreneurial

approach taken in Austin, Texas, by the public sector included the use of bonding authority, tax abatement, special agreements, and tax policies.

Building a Spirit of Collaboration and Cooperation. A spirit of collaboration and cooperation is essential. The importance of collaborative efforts needs to be recognized and embraced by a region. This approach may seem self-evident, but it is often lacking, especially in rural areas where rugged individualism is often a strong value.

Financial Investment. A financial investment must be made in the region if efforts to transform the region are to be successful. These investments can come from government, foundations, private support, or from a combination of sources. A region must be creative as it seeks the support it needs to launch a transformational effort. Without sufficient investment, almost all efforts will fail.

A key ingredient in obtaining an investment is the willingness of government to modify existing programs or waive certain requirements. For example, workforce investment funds should support training of entrepreneurs. Finally, investments must be made in the nonprofit sector. This investment is essential in poor communities.

Strengthening Infrastructure. The leadership, organizational, and economic infrastructures of a region must be strengthened. Leadership in rural communities is often unstable, unskilled, and in short supply. Steps must be taken to develop and identify leadership. While key leaders may be college or university presidents, chamber executives, and CEOs, it is also important to identify other talent in the region. Positional leadership is important, but talented leadership is more important.

Organizational infrastructure is very important. In almost all of the examples we learned about there was one or more organization that was capable of

supporting or initiating efforts. The strength of the nonprofit sector is also important.

Finally, attention must be paid to the economic infrastructure. This infrastructure includes information technology, industrial space, water capacity, and other support mechanisms, such as workforce development, financial capital, and small business support.

Alignment with Goals. The region's educational and training system must be aligned in support of the region's goals. Often there is not curricular alignment within the educational and training systems, much less alignment with the region's goals and aspirations. Alignment is not an easy task because of the myriad of districts and the overabundance of state regulations in place.

As we address new mechanisms and policies for supporting the development of rural regions, it is essential that the above components be in place in order to begin the transformation of a region.

TRANSFORMATION OF CENTRAL CALIFORNIA

The following is a brief summary of the transformation, which has begun in central California. This region is home to more than three million people, is the world's most productive agricultural region, and has some of the highest unemployment rates and lowest educational attainment rates of any state in the nation.

In the early 1990s, Fresno State consciously adopted a vision to become known as one of the premier interactive universities in the country. The university community also set a goal to work with the region to transform the entire area. The initial task was to get the region to begin thinking of itself as a region. Through the Central California Futures Institute in Fresno, Calif., and later the Great Valley Center, in Modesto, Calif., efforts were undertaken to gather the data necessary to describe the region. This description was followed by efforts to

begin visioning for the future and encouraging awareness about the region's future.

Simultaneously, work was under way within the university to build a program in entrepreneurial studies, launch a business incubator, and develop key centers and institutes around problems in the region. In addition, work began to link the university much more closely with the school districts within the region. More importantly, the university culture began to change as faculty sought ways to get involved with the region and efforts were made to reward faculty behavior for such involvement.

After several years of effort, the region's business leadership began to understand the importance of regional thinking and behavior, and efforts began to flourish within the business community. The most significant effort was the development of the Fresno Business Council, which is an organization of 125 chief executive officers. Among the initial efforts of the council was the adoption of a set of community values. These values included:

- Stewardship;
- Boundary crossing and collaboration;
- Commitment to outcomes;
- "Art of the Possible" thinking;
- Fact-based decisionmaking;
- Truth telling;
- Power parity;
- Commitment to resolving conflict; and
- Asset-based approach.

The next step was the development of a partnership between the Fresno Business Council and

Fresno State to create the Collaborative Regional Initiative (CRI). The CRI was designed to bring together the best talent available to craft a comprehensive plan for the region. Several task forces were created to address particular issues, which included technology infrastructure, innovation, economic development, education, and nonprofit sector, to name a few. The work of the CRI was financially supported by the university, the Fresno Business Council, and the Irvine Foundation.

As the CRI was unfolding, the newly elected Fresno mayor sought the help of business leaders to examine how local government could be transformed. The work of this group concluded that if the city continued on its present course, it would only be able to fund police services and nothing else by 2008. Clearly, the cycle of unemployment and poverty had to be broken.

Discussions between CRI leaders and the local government led to the conceptualization of the Regional Jobs Initiative. The Regional Jobs Initiative seeks to create 30,000 jobs over the next five years by consciously building clusters of economic growth around the assets of the region that can be further developed.

The university is convening leaders from nine sectors and seeking to determine how these sectors can grow and expand. The most advanced sector to date is the water technology cluster. The region includes approximately 70 to 80 firms, employing 6,000 people in this sector. As industry leaders came together, they identified the need for help in certifying their products, with research and development, and training of prospective employees. This group of water technology leaders has agreed to create an International Center for Water Technology, which will be located on the Fresno State campus. More than \$10 million dollars has been raised through federal government, earmarks, state government, and the private sector. The first initiative to create a certification facility will be completed by next year. In the

meantime, the university is building its faculty strength in this area, as we plan to launch a research and development effort in water technology.

Other clusters are under way, but they are not yet as advanced. The university has recently partnered with the National Institute for Strategic Technology Acquisitions and Commercialization (NISTAC), located at Kansas State University in Manhattan, Kan., to access patents. The patents may be available to link with these clusters and help them to advance new technology transfer.

The next major task of the region is to align the educational and training systems. This alignment project is a huge task because the region serves diverse students who speak more than 100 languages or dialects. Already, an innovative high school has been launched as a cooperative effort between the Fresno and Clovis districts, which offers a project-based curriculum. The school—which is known as the Center for Advanced Research and Technology (CART)—has been enormously successful to date and has become a national model.

POLICY IMPLICATIONS

As business and education leaders and public officials consider these components, there are some key public policy issues, which should be addressed to help support the transformation of regions. These issues are:

1. State governments should encourage regional universities to conduct applied research and technical assistance for the regions they serve. This is especially true in cases where a region is not served by a land-grant university. The Mid-south Partnership for Rural Community Colleges (Mississippi State University) is a good example of what can be accomplished by land-grant universities who seek to address the needs of the region they serve.
2. State and federal governments must be willing to address regions as regions. It is imperative that state and federal agencies work together to determine how programs can be assimilated and integrated to help address regional problems. Existing programs may need to provide waivers to some regulations in order for a program to help the region.
3. Public policy must encourage private-sector investment in regions of need. For example, there should be inducements for private enterprise to expand broadband width in rural regions. Public policy must support innovation. Methods for providing incentives to regions to promote innovation and related activities should be examined.

CONCLUDING DISCUSSION

Several steps are necessary for building a new economy in rural regions. Recognizing and seizing opportunities in a systematic and deliberate way, looking at current models in place, and understanding and pursuing policy initiatives are all essential in the transformation process. This process is not easy or without complications. However, with collaboration and cooperation of education and business sector leaders, enlightened thinking may be the pathway to realizing success

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