

RURAL ECONOMIC DEVELOPMENT: A PANDEMIC TO PROSPERITY WHITE PAPER

*Prepared for the Rural Development Taskforce, a Resilient Louisiana Task Force
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INTRODUCTION

Rural communities can offer many attractions to business and individuals which include lower costs, lack of congestion, a greater sense of community, and a slower pace of life. However rural communities will not succeed on a grand scale on their own. Sustained rural success requires injections of public funds and support services. Those investments should be guided by the knowledge that rural communities are by definition disadvantaged--geographically. The marketplace gravitates toward scale of opportunity; rural communities lack that scale.

However, rural communities can and often do thrive through attraction, retention, and expansion of businesses; tourism; outdoor recreation; makers and artisans; along with the traditional bases of agriculture and forestry. To be successful, all of these must be driven by entrepreneurial passion and commitment. Each rural community has a unique and authentic story that makes it the right place for an individual, business, or industry sector to thrive.

NEED

1. Rural communities need identify their **COMPETITIVE ADVANTAGES** and develop strategies to attract, retain, and grow companies or entrepreneurial efforts in those **AREAS OF FOCUS**.
2. Rural communities need to be able to describe their competitive advantages as a place to do business as a **VALUE PROPOSITION**.
3. Rural citizens, companies, schools, and governments require **ACCESSIBLE, AFFORDABLE, and RELIABLE BROADBAND SERVICE** in order to be competitive. The Digital Divide was a reality twenty years ago and has only become more urgent with the passage of time. As COVID-19 taught us, companies must be prepared to allow more employees to **WORK FROM HOME**. Companies want to know their plant location has reliable connectivity, but they will also want to know the communities in which their workers live have available access should another stay-at-home issue arise. Moreover, companies want their employees to have reliable, affordable broadband **ACCESS FOR EDUCATION, TELEHEALTH, PUBLIC SAFETY** and other quality of life applications.

OPPORTUNITY

1. **THE NEW RURAL**— As the challenges faced by rural American communities have become more visible, new paths to success are being identified. The other White Papers from this Task Force include two major opportunities for Louisiana: The Agriculture of the Middle and Outdoor Recreation as an economic development driver for rural regions.
2. **ASSET MAPPING** – Communities should recognize, promote and capitalize on the existing assets and amenities that make them unique. Once assets are identified, strategies to **PROMOTE AND DEVELOP** the assets can strengthen the local community and economy and offer **PRIDE OF PLACE, CHARACTER OF LIFE**, and a means through which to tell an **AUTHENTIC STORY**. Importantly, doing this well may involve partnerships among entities across parish and state lines.
3. **DIVERSITY OF MESSAGE** The practice of rural economic development requires different skills, strategies, and commitments. **STATE-WIDE MARKETING MESSAGING** should include focused efforts to tell the stories of opportunity of our rural regions . In addition, recruitment efforts to attract new industry and jobs into the state should **FOCUS ON ALL AREAS**, not just those with the current fastest growth.
4. **UNWINDING OF GLOBALIZATION** – One of the many responses to COVID-19 we have seen has been a surge to reshore or **BRING BACK THE MANUFACTURING** of critical components to the US from other countries. To reshore operations opens up a component of “**JUST IN TIME REGIONALISM**” in which companies can spread components and cost of products in multiple states (or multiple parts of the same state) that provide more **A GREAT BUSINESS CLIMATE** for a particular component of their manufacturing process. While this is a great step to shore up American manufacturing and bring some security of delivery to critical components of products which are currently made overseas, it will take extreme effort on states (and locals) to be proactive toward **PROVIDING ENLIGHTENED PRO-BUSINESS LEGISLATION AND ORDINANCES**.
5. **NEW DEVELOPMENTS IN WORKFORCE** – Similar to how the **WORK-AT-HOME** model while educating of our kids at home changed the way we think of our day to day interaction with office dynamics, there will be new developments in how we define our workforce. One such model being discussed among economic developers and site location consultants is a **SHARED TIME WORKER** model in which a single worker works for two companies part time to make up a “full time” salary. These new developments in workforce will **CHANGE HOW STATES STRUCTURE THEIR INCENTIVE OFFERINGS**. To accommodate these changes, new definitions will need to be addressed on what a job is and who benefits.

RECOMMENDATIONS FOR STATE ACTION

1. CREATE AN OFFICE WITHIN THE DEPARTMENT OF ECONOMIC DEVELOPMENT TO FOCUS ON RURAL REGIONS. The needs of rural regions are fundamentally different from those of more urbanized areas. Except for those benefiting from the boom in natural gas development, most rural parishes in Louisiana are not growing. The State needs a consistent, well-funded effort for building our rural communities. The Office should have the capacity to support the recommendations of this White Paper, including being able to make investments in rural projects. This recommendation anticipates the continuing work of the Louisiana Rural Revitalization Commission.

2. ENHANCED COMMUNITY DEVELOPMENT AND STORY DEVELOPMENT ASSISTANCE – The state, through Louisiana Economic Development and the Department of Culture, Recreation and Tourism--in collaboration with regional economic development organizations, chambers of commerce, and local tourism commissions-- should help rural communities better identify their development assets. These efforts should lead to authentic and effective stories to center marketing initiatives and guide investment decisions.

3. MARKETING AND DIVERSIFIED MESSAGING – The state needs to identify and brand an inclusive marketing message for all areas of the state. Messaging should highlight culturally diverse regions in an effort to attract, retain, and grow companies and entrepreneurs as individually diverse as the areas in which they could choose to locate.

4. EFFECTIVE AND STABLE INCENTIVES & INVESTMENTS – Site selectors and companies will search for every break to make deals work. The margins for projects are tighter and tighter. Both site selectors and companies are expecting states and regional Economic Development Organizations to be more aggressive with incentives – even companies who have previously been averse to special incentives on principle. Rural regions need special attention and targeted investment support to be competitive.

5. PURSUE AT SPEED AND SCALE THE RECOMMENDATIONS OF THIS TASK FORCE'S WHITE PAPER ON RURAL BROADBAND AS WELL AS THOSE THAT WILL EMERGE FROM THE WORK OF THE BROADBAND FOR EVERYBODY IN LOUISIANA COMMISSION.