

Planning for the New Economy

DATE: December 4, 2000

TO: Participants in the "Western North Carolina Regional 2000 Conference: Planning for the New Economy", sponsored by the Western Carolina University Public Policy Institute, AdvantageWest, the City of Asheville, the *Asheville Citizen-Times*, and the Mountain Resource Center of Western Carolina University, held in Cullowhee on 11/8/2000.

FROM: Gordon E. Mercer, Professor and Public Policy Institute Director, Western Carolina University, and Policy Panel Chairs: Prof. Malcolm Abel, Dr. Dennis Depew, Dr. B.J. Dunlop, Mickey Duvall, David Ellis, Fred Fisher, Dr. Gibbs Knotts, Dr. F.F. Hawley, Dr. Jenny James, Dr. April Lewandowski, Dr. C. Don Livingston, Rachel Michalove, Dr. Nadeem Naqvi, Dr. Kevin Pennington, Dr. William Perry, Michael Poston, Tim Richards, Dr. Mike Smith, Dr. Penny Smith, Bridgett Spell, and Dr. Brian Wright

Highlights of the regional conference attended by over 700 participants on the new digital economy, and its significance for the region of Western North Carolina, held at Western Carolina University on November 8, 2000, included displays made by Dr. Gloria Houston's students which depicted the inter-relationships between economic development and literacy. In addition, Dr. William Perry's students' presentations expressed the need for an endowed chair in economic development at the Western Carolina University School of Business. The School of Applied Sciences and Technology also had displays on economic development and tourism. On the program, Dean Abdul Turay first welcomed all participants, and then Chancellor John Bardo outlined the educational partnership challenges, which lie ahead for the Western region of North Carolina in the new digital era. During the first session on grassroots economic development, Mac Williams, Director of Economic Development for the City of Asheville, discussed local government economic development strategies. Next, Dr. Penny Smith, Associate Professor of Educational Leadership and Foundations at Western Carolina University, outlined significant factors of cultural and environmental preservation, and of sustainable development, which should be a part of any current development discussion. And John Cecil, President of Biltmore Farms, and Vice-Chair of the UNC Board of Governors, concluded with a presentation on concerns for sustainable community development in a knowledge-based economy.

The second session concentrated on regional strategies and trends in economic development with Ella Rusinko, Co-Chair of the Appalachian Regional Commission, Washington, D.C., presenting creative models for regional economic development. Then, Representative Phil Haire, of the NC Legislature, discussed legislative challenges and updated conference participants on NC

legislative initiatives. Dr. Ron Shiffler, Western Carolina University Dean of Business, concluded the session by presenting data on new business trends and relating their effects, and potential effects, to the region of Western North Carolina. At lunch, U.S. Congressman Charles Taylor was presented an award in recognition of his work in economic development for the Western region. And Rick Carlisle, Secretary of Commerce in the state of North Carolina, gave the keynote address on overcoming barriers and obtaining critical mass in the Western Region of North Carolina. The third, and final session, addressed rural and regional challenges in economic development, with Michell Hicks, Director of Finance and Budgets of the Eastern Band of Cherokee Indians, giving examples of the ways in which regional cultures and histories have been used by the Eastern Cherokee to diversify the west's tourism economy. Gordon Myers, Vice President of Ingles and Chairman of the board of Advantage West, next discussed linkages and incentives for regional development in Western North Carolina. Then, Bill Ray Hall, President of the North Carolina Rural Economic Development Center in Raleigh, outlined broad themes and consideration for rural development in the western region. Dr. Cecil Groves, president of Southwestern Community College, amplified ways in which aggregations of resources in Western North Carolina can be utilized to address the challenges of rural economic development. Lastly, Virgil Smith, President and Publisher of the Asheville Citizen-Times, demonstrated the joint ways in which a proactive community newspaper and citizen participation in economic development can positively influence Western North Carolina. Upon adjournment of the conference sessions, participants (who wished to stay) met together, and prepared policy recommendations, regarding regional economic development in Western North Carolina, which emerged from the day's activities. These recommendations are as follows:

Ecological and Cultural Sustainability and a Research Triangle Park Equivalent in the West:

1. Overall, conference participants were concerned with ecological and cultural sustainability, and emphasized the need for "ecologically friendly" biotech and digital industries. Participants stressed the desire to attract businesses that are "sustainable and environmentally clean", with industries, which do not deplete or pollute natural resources, being contrasted to previous regional industries.
2. Several policy panels thought we should set up a Research Triangle Park equivalent of our own in this region, but that it would have a sustainable environmentally friendly focus. It is hoped that such an initiative will prevent "brain drain" from our area, i.e., students and other professionals, already in our area, having to leave Western North Carolina in order to find jobs. Furthermore, it is also hoped that such an initiative will provide higher paying jobs for all people in Western North Carolina, including those who have lost their factory positions, as the textile industries have left the southeastern United States in the last ten years. The actual physical location of such an entity and the structure should be

defined. Our Research Triangle Park equivalent should focus on getting grants, and identifying themes for the economic development of our region. We need to target the type industries and businesses we hope to get, and colleges and universities in our region need to play an important role in this undertaking. Our equivalent of a Research Triangle park would have environmental sustainability as a major regional focus, and this focus will help identify the education and research we need to meet the next wave of on-coming technology and development. All levels of government should be persuaded to fund a Western Triangle Park regional structure, involving educational institutions in this region. Such an educational structure should reflect the diversity of our region and include tourism, health care, business services, and art and culture, as well as the need for environmental sustainability. Such a structure should work closely with existing regional structures such as AdvantageWest and Councils of Government.

3. Ecology, moreover, was felt by several panels, to be a major consideration for all aspects of economic development: such that any research parks, or research park clusters, or a Western 'research triangle park', to be developed in Western North Carolina, should be designed and advertised as "environmentally safe eco-development parks", which offer "high technology that is environmentally friendly". Moreover, it was argued that the entire Western Region of North Carolina should adopt the environment as its regional theme, and promote itself as an area which seeks sustainable and high tech industries that are ecologically sustainable and non-harmful to the environment.

4. Many participants were concerned to develop high tech, ecologically friendly, and sustainable companies in Western North Carolina, so that the next generation of mountain peoples will be able to settle and stay in this area, and not have to move to urban areas to find employment. (In the thoughts of many participants, there was an implicit relationship between sustainability and health of the environment, and the cultural sustainability and health of the mountain communities). Furthermore, many felt that the Internet and telecommunications could play a great role in the attraction of such industries to the west.

5. Among those sustainable industries, and attendant considerations, which were identified by various panels were: telecommunications (especially broad band technology); venture capital participation (including capital, educational mentoring, and consulting); cultural and heritage tourism concerns; the attraction and/or develop of small companies (50 employees or less); organic farming; accountability standards to measure labor and natural resource use; the willingness of government, business and educational leaders, and of the populace, to establish ecological priorities for the region (and it was strongly felt that the Universities must take a regional leadership role in establishing the environment as a public policy issue; such that 'green industries' and sustainable businesses receive top priority); that ecosystem models be used to draft models of an industrial ecology and eco-industrial parks for the western region; that an

ecosystem model of development for industry should include "balancing industrial input and output to the constraints of natural systems", balance natural materials use in industry, improve the efficiency of industrial processes; develop renewable energy supplies for production, and adopt new regional, national and international economic development policies which integrate environmental and economic accountability in policy decisions; consider and "establish higher levels of technology standards for the region that would be appropriate for many years to come"; consider setting a limit to mountain building "above certain elevations" as a way to preserve both our clean water sources and our natural beauty"; environmental impact studies should be undertaken; and ways in which existing industries might become more environmentally friendly should be studied.

6. A few participants expressed the view that not all mountain people want a new digital economy and that a different quality of life should be voluntary. Some participants questioned whether it was inevitable that the western region of North Carolina must, or should, significantly change, and pointed out negative consequences of change, such as increased traffic, pollution, and rising land costs. Balanced and well thought out growth seemed to be a priority.

Cooperative Regional Partnerships:

1. Overall, conference participants agreed that the Western region of North Carolina must be more systematic in analyzing and marketing this area, and must identify and foster cooperative relationships (among business, education, government leaders, as well as concerned citizenry) and group coalitions of businesses, educational institutions and governmental programs, so that broad based groups can amass their resources to conjointly formulate regional initiatives. In addition, many felt that a regional theme was imperative to the success of the west's participation in a knowledge-based, ecologically sustainable economy. We need to explore the concept of multi-county business parks with communities cooperating and encouraging connections with college and university based technology and research.

2. Participants felt that significant 'keys for cooperation' in group coalition activities and strategic planning are flexibility (to be exercised by parties all round, including institutional flexibility, in addition to a willingness to change, on the part of local citizenry); respect for the uniqueness of Western North Carolina and its particular heritage; and the development of trust between traditional mountain people and newly arrived persons, between government and educational institutions and officials and local citizenry, and between institutions (whether business, educational or governmental) and the local job force, which in large measure, needs retraining.]

3. Many participants felt that more tax monies should be obtained, for regional Western development, by cooperative regional partnerships; that 'key players' should be identified, and their collaboration should be sought (in joint efforts);

that collaborative efforts should be identified as 'public-private partnerships'; that greater collaboration between the Park Service and local vendors should exist; that greater recognition of the work ethic of local peoples should be developed; that economic development demographics should be studied; that targeted industries should be courted; that the infrastructure of Western North Carolina should receive more assistance and consideration; that more focus upon the need for community, values and spirituality in successful living should be considered; that the possible need for transportation both mass mountain transit and completed highways -- should be investigated; that the need for an inclusive regional point-of-view on economic development should be adopted; that the possible beneficial reciprocities between university research and digital technology and business interests should be pursued; and that biases among groups must be overcome, if the region is to work together for a common future.

Educational Training and Retraining:

1. Overall, conference participants agreed that education is fundamental to bringing Western North Carolina into participation within the new knowledge-based, digital, Internet, and global economy.
2. Among those training and retraining considerations, which were identified by various panels were: customized quick start models; the identification of comprehensive labor market assessments, to be followed by customized work force training; the need for retraining of the local job force as vital to inclusion in a new economy; that training in technological superiority is paramount, and should begin immediately; that greater identification of regional cultural and historical resources can be very important to training and retraining in the Western region; that ethics education is needed (beginning in the grammar school, and on up) so that a more flexible and critical sensibility of business ethics can arise in the Western region; and one should "consider using PDA's (Personal Data assistants) when implementing customized or exemplary programs" of business and technology instruction in our schools.
3. In the new economy some thought that colleges and universities need to develop ways to identify new curriculums needed to respond to regional needs in the new economy. Continual regional planning will be needed in this area.
4. Participants thought it important that "action" take place on recommendations coming out of the regional conference.

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