

**STATE ECONOMIC
DEVELOPMENT PROGRAMS
AND LOCAL NEEDS:
WHERE IS THE COMMON
GROUND?**

**A Report to the Ford Foundation
and the Aspen Institute**

**Summary of research conducted by the
John C. Stennis Institute of Government,
Mississippi State University.**

**Martin Wiseman, Ph.D.
Faculty Research Associate**

1992

**Research funded by the
Aspen Institute and the Ford Foundation.**

**STATE ECONOMIC
DEVELOPMENT PROGRAMS
AND LOCAL NEEDS:
WHERE IS THE COMMON
GROUND?**

**A Report to the Ford Foundation
and the Aspen Institute**

**Summary of research conducted by the
John C. Stennis Institute of Government,
Mississippi State University.**

**Martin Wiseman, Ph.D.
Faculty Research Associate**

1992

**Research funded by the
Aspen Institute and the Ford Foundation.**

TABLE OF CONTENTS

| | |
|---------------------------------------------------------------------------------------------|-----|
| Executive Summary | i |
| Preface | iii |
| Introduction | 1 |
| Recent Research | 2 |
| Data Gathering And Methodology | 7 |
| Data Analysis | 10 |
| Summary and Conclusions | 33 |
| Appendix | |
| Summary of Comments Offered at Regional Meetings of County and Municipal Officials | 39 |
| Notes from Regional Meeting at Wesson, MS | 42 |
| Notes from Regional Meeting at Moorhead, MS | 45 |
| Notes from Regional Meeting at Meridian, MS | 52 |
| Notes from Regional Meeting at Tupelo, MS | 56 |
| Bibliography | 60 |

EXECUTIVE SUMMARY

This study explores the broad subject of economic development in the rural state of Mississippi from the perspective of locally elected policy makers. It examines the dissonance which exists between perceived local government needs and state-level economic development policies. One source of tension between state and local officials is the tendency of local officials to focus only on the immediate or short-term needs of their area, often infrastructure improvements. Conversely, economic development professionals at the statewide level tend to focus on long-range strategies which create an economic atmosphere and "capacity" conducive to growth. Additional sources of state/local dissonance include mandates on local governments, which reduce discretionary funds and limit autonomy, and skepticism that changes are necessary to achieve economic development.

Opinion Survey and Focus Groups

Data was initially gathered via a mail survey sent to municipal and county officials (aldermen/councilmen, mayors, and county supervisors) throughout Mississippi. Responses to the mail survey were then supplemented with a telephone survey of county supervisors, due to low returns from within this group. Total sample size = 498.

Preliminary survey results were presented to participants at four regional focus group discussions. Mayors, aldermen/councilmen, and supervisors were invited to attend these sessions. State Economic and Community Development department officials from the area were also invited to participate. An overall summary and notes from each of these meetings appear in the appendix to the report. Results are presented in two broad categories: External Policies, Programs, and Activities (state level); and Internal Policies, Programs, and Activities (local initiatives).

State Policies

Over 80% of the respondents indicated that state government should assist local government efforts. Direct financial assistance from the state for tangible infrastructure and intangible infrastructure (economic development training for local officials and community leaders) was very attractive to most respondents. "Adequate funding" for elementary, secondary, and adult education also met with very strong approval. However, when asked to express a preference for investing limited state and local resources, improvements to tangible infrastructure proved more important than education and training. During the focus group discussions, many individuals alluded specifically to the need for an infusion of capital and expertise to help them meet new environmental standards for sewerage treatment and solid waste disposal. Most respondents generally agreed that their area's legislators did a good job representing local economic development needs, but many seemed skeptical that the legislature as a whole appreciated local needs.

Among officials from smaller towns and rural areas, a strong feeling exists that "size" affords greater influence with the legislature and state agencies. During focus group discussions, many comments revolved around this theme of "big vs. little" and "us vs. them." Smaller towns or counties typically complained that the more populated areas got all the attention and benefitted most from existing programs. This study

suggests that a large portion of the local policy makers feel disenfranchised from the state policy making process, particularly from rural areas and small towns.

The focus groups also uncovered distinct attitudes among officials from larger cities (in Mississippi, places 30,000 to 200,000). Their view toward the state is best summed up as follows: 'You don't have to help me, just don't hinder me.' Officials from more populous communities cited the need for more local autonomy to raise tax revenues for economic development purposes. Local officials from the larger cities typically criticized the legislature and agencies for complicating every detail and standing in the way of local initiative and ability.

Local Elements

Over 75% of the local officials feel that economic development is the most important issue with which they must deal, and over 70% indicated that they can do much to improve local economic development. Given the perceived importance and power of economic development, it is not surprising that almost 60% agreed that with increased economic development other problems would take care of themselves. Almost 80% agreed that the local economic development strategy should be a cooperative effort between business, government, and a local development council. Furthermore, over 80% felt that if their city and county would cooperate, their efforts would be more successful. During the focus groups, officials from small towns noted that cooperation among towns in different counties is hindered by personal clashes and the denial of common interests. Officials from larger municipalities attending focus groups noted that economic development in their cities benefits the entire area, but too often surrounding communities only focused on the problems and not the potential. In Mississippi, Planning and Development Districts are designed to increase area cooperation, but too often these units were seen as useless due to high staff turnover, a staff which focuses primarily on obtaining funding for their own continued existence, and/or a staff composed of people who were more connected than able.

Most respondents would prefer that several small manufacturing facilities locate in their area. This seems to indicate a shift away from the traditional notions that the best way to grow is to land one big industry or to increase agricultural yields. Generating revenues for local economic development purposes through a local sales tax was supported by nearly two-thirds of the officials. However, respondents were equally split over whether a referendum should be required to enact such a tax.

Summary

The data presented in the report from the surveys and from the focus groups suggest that rural officials understand the importance of local economic development. Their perceptions of what needs to be done require state money for infrastructure improvements and state training for local empowerment. Local officials also clearly demonstrated a belief that economic development activities must be undertaken on a cooperative basis, both intergovernmentally and between the public and private sectors. However, these same officials also expounded at length on the current impediments to cooperation. To bridge the gaps in formulation and implementation that exist between the state and local level and between local units, local governments must be given a broad role in the policy development process and flexibility at the implementation stage.

PREFACE

Dr. Charles W. Washington, the Director of The Stennis Institute of Government at Mississippi State University, received a grant in 1990 from The Aspen Institute to conduct a study entitled "State Economic Development Programs and Local Needs: Where Is The Common Ground." Dr. Washington directed this project until his departure to Florida Atlantic University in July 1992. In addition to formulating the project, Dr. Washington developed the questionnaire which was mailed to city mayors and alderman and to county supervisors. Upon Dr. Washington's departure, Dr. Edward J. Clynch assumed overall responsibility for the project. Dr. Clynch worked with the Stennis Institute staff to develop a phone version of the questionnaire which was used to solicit additional responses from county supervisors. He also coordinated the four focus groups convened in various locations around Mississippi. Dr. William Martin Wiseman analyzed the data and wrote the report. While several persons played important roles in completing this project, Dr. Wiseman properly is listed as the author, since he developed the final product.

The support of Stennis Institute staff members Mr. James McCormick and Ms. Anita Switzer, as well as the graduate assistants working at the Institute is greatly appreciated. All of those involved in this project also wish to thank The Aspen Institute and the Ford Foundation for supporting this effort financially.

STATE ECONOMIC DEVELOPMENT PROGRAMS AND LOCAL NEEDS:

WHERE IS THE COMMON GROUND?

The nature of the ideal economic development program for a rural state remains one of the most elusive public policy concepts. The literature varies widely in its advocacy of programmatic approaches and in its claims for the efficacy of the specific programs. Answers to the question of what works and what doesn't comprise the great imponderables of this sub-discipline.

Rural states often find themselves both pursuing the dollars associated with high tech industry and competing in the growing world market for unskilled and semi-skilled jobs. In the former game, they often find it impossible to be a player, and in the latter they discover that it is impossible to win. Appearances indicate that innovation is waning for those who might be counted upon to suggest solutions. There are some key points which must be considered. Is it impossible and impractical to produce level playing fields for all localities by implementing state-wide policies? Would the best approach to economic development in a rural state be one of tailoring policies at the local level that would feed into a state-wide concept of economic development? Is the process of rural economic development beyond a point where it may ever be cost-effective? What should be attempted first?

This study promises no solutions to these questions. Hopefully, it will bridge one of the many gaps that exists in the thinking with regard to economic development in a rural state. This research attempts to discover some things about the dissonance which exists between local government needs and state level economic development policies. It does so based on the viewpoints of Mississippi local government officials. In short, this study seeks to discover the desires of these local government officials concerning state level policies in the realm of local economic development.

RECENT RESEARCH

There is an obvious linkage between local government desires and the role state government plays in economic development. Research indicates that there may be weaknesses in this linkage. Economic development resonates as a constant theme of policy makers in small town and rural governments. Likewise, the states in which these governments are located demonstrate a sense of urgency in pursuing economic development strategies. Questions inevitably arise. Are these efforts productive? How much coordination exists between the two levels? Are government officials at both levels even doing the right thing? How much confidence do local officials have in what state officials are doing? From all indications, the economic development effort has become bifurcated. Local governments engage in initiatives designed to meet immediate needs, and they make demands on the state to assist in these efforts. Thus, there appears to have developed an internal focus and an external focus on the part of local governments. Oftentimes, the efforts associated with these foci appear to be in dissonance. There are practical reasons for this as well as some that are not so concrete. An example of the more practical variety occurs in the area of scarce resources at the local level and the policy choices for dealing with that scarcity. Local governments have been particularly hard hit by mandates over the last five years. This has lessened their discretion over the use of locally generated revenues that might otherwise be used to engage in economic development efforts. The less apparent reasons for dissonance between internal and external efforts relate to the culture of change, the acceptance and rejection of reform, and the definition of progress that emanates from that culture. Past research will be considered when it illuminates this internal/external dichotomy in local economic development efforts.

Over the past two decades, evidence has been mounting that indicates a decline in the ability of rural and small town America to deal with many of their economic problems. This sector of the American economy was able to make the transition from a largely agrarian economy to a more diversified one, largely because of the willingness of workers to accept low wage, unskilled and semi-skilled jobs. In many cases, jobs were supplemented by part-time farming and other occupations. Other elements such as communication and infrastructure were sufficient to support this kind of industrial activity. This picture is changing, or it may be more appropriate to say this situation has changed. Over a decade ago, for example, it was becoming clear that transportation factors so vital to a rural economy were on the verge of major change. Kaye (1979) presented some disturbing data. He found that, in the years beginning in the early eighties, 23,000 miles of rail lines would be discontinued or abandoned. Federal policies would significantly alter federal aid for rural road systems, and airline service to small towns would be severely curtailed (Kaye 1979). This is in addition to the general decline of rural infrastructure, particularly bridges. Given the heavy dependence of rural areas on adequate transportation, these facts portend disaster for a segment of the population hardly equipped to deal with them. Rural employment's ability to produce sufficient income has for quite some time lagged behind employment in metropolitan areas. This fact has been summarized by Tweeten (1979) and others. This problem has been exacerbated in the past ten to fifteen years by such things as rising energy prices and the loss of even low paying manufacturing jobs to rapidly industrializing third world countries. Not only has this scenario caused problems in the areas of infrastructure improvement and transportation, it has demonstrated the lack of ability of rural areas to meet the challenge of education. The concentration of poverty in rural areas and the diverse problems

posed by rural areas have taken their toll on the ability of rural school systems to deliver an adequate education, and it has most certainly limited the ability of these school systems to upgrade educational opportunities to meet external challenges (Parks, Ross, and Just 1979).

Small towns and rural governments feel a constant pressure to provide an atmosphere conducive to job creation as well as the protection of existing jobs. In the minds of local government officials, this creates a necessity for the provision of incentives. Incentives in this regard are used both to attract business and industry and to maintain a level of satisfaction for those already located in a specific area. The willingness and, indeed, the ability to provide incentives is an important issue. Rubin and Rubin (1987) examined this willingness to provide incentives and the reasons for differences from one community to the next in the type of incentive provided. In addition, Rubin and Rubin (1987) alluded to a growing problem in this regard. That problem is intergovernmental competition. This causes municipalities to feel compelled to provide incentives, regardless of whether this appears to be wise expenditures. A major finding of the Rubin and Rubin research holds that poorer communities appear to spend more on business in effective incentives. According to the authors, this possibly results from a sense of desperation in these communities (Rubin and Rubin 1987).

While Rubin and Rubin (1987) alluded to the possible lack of efficacy of many economic development incentives at the local level, they noted that local governments continued to offer them. Many of the reasons were political, and many were symbolic in that they are designed to demonstrate concern for existing industry. Ambrosius (1988) examines the continued development and utilization of incentives by state economic development agencies. Ambrosius cited numerous studies that dispute the effectiveness of state economic development incentives

in producing economic growth. One of the major conclusions drawn by Ambrosius has to do with the apparent lack of efficacy of state economic development policies and the concomitant commitment to continue these policies. Ambrosius concludes that the continuance of such policies is due in large measure to pressure from private business and occupational interests (Ambrosius 1987). This is an interesting finding particularly since business interests are usually quite heavily involved in developing state level economic policy. A similar line of thinking developed from research conducted by Barnekov and Rich (1989). Their research sought to discover flaws in the public/private cooperative model which seems to be the norm for many economic development policies. Among some of the important observations made by Barnekov and Rich were those which pertained to reverse leveraging by business. In this scenario, businesses take advantage of local government willingness to expend resources to attract business by leveraging increased concessions from the often already strapped governmental unit. In such a scenario, private business is able to "hold local governments hostage" (Barnekov and Rich 1989). Given the growing list of obligations facing local governments, this can place even greater, and it can be argued, unnecessary stress on units of government at this level.

An additional area of research examined the differences in strategies employed by different types of communities in economic development efforts. Differences in socio-economic status of the population and size of the community are commonly cited as independent variables in research of this type. Green and Fleischmann (1989) alluded to some of these criteria but then went a step farther and analyzed the effectiveness of economic development strategies based on the approach taken by communities. They analyzed the level of economic development activity by placing strategies into three categories according to the most active group encouraging

economic development. These were city government, local development corporations, and private business. They found, not surprisingly, that the greatest use of incentives to promote economic development resulted from strategies based in the city government category. In addition, some support for the notion that the most desperate communities will do "anything" to attract business and jobs was discovered (Green and Fleischmann 1989). Their research elaborated on the linkage between deteriorating local government fiscal capacity and the desire by local officials to increase revenues through increased investment in economic development activities. The introduction by Green and Fleischmann of a concept of variation by community in economic development strategy may be carried a step farther when rural areas are considered. While many municipalities speak a similar language with regard to economic development, their ideas have not necessarily gained acceptance in the more rural areas. In many cases, people may have chosen to live in these areas to avoid some of the very things economic development efforts claim to promote. These include building codes, zoning ordinances, waste disposal ordinances and the like. Rural areas tend to be slower in adopting new attitudes regarding these issues. Claude Fischer (1978) conducted insightful research into the issue of urban to rural diffusion of ideas. This research added evidence to the assumption that innovations are more readily adopted in urban areas and diffused outward into less densely populated areas. Thus, rural areas would be initially adopting innovations while new ones had already been born in urban centers (Fischer 1978). The major importance of this concept for this research is that economic development initiatives may not be generic, but rather they may require significant adaptation to be workable in all types of environments.

The effect of state level economic development policies has been studied in a similar way. Jones (1990) took such an approach from the state level when he analyzed categories of expenditures which reflected positively and negatively on economic development. Among other things, he found that the overall size of the public sector has no impact on economic decline, that policies such as health and welfare expenditures were associated with decline, and that local expenditures did, in fact, seem to promote growth (Jones 1990). The type of local policies alluded to by Jones did not pertain just to economic development expenditures but to any policy which served to upgrade the local environment. These would include police, fire, and infrastructure to name a few.

The research undertaken here seeks answers to some of the perplexing problems facing rural and small local governments. The fact that there are many formulas being employed that are accepted as effective has posed a problem. It is perhaps time to change the way we view economic growth and development from the ground up. This research is based on a survey of Mississippi local government officials and on focus group discussions (see Appendix) held throughout the state. The results do not provide any major solutions, but they do more accurately pinpoint some of the problems.

DATA GATHERING AND METHODOLOGY

Before discussing the research design, it would perhaps be useful to briefly review the structure of local government in Mississippi and its relationship to state government in Mississippi. Most Mississippi municipalities conform to one of two forms of government. These are known as the mayor/board of aldermen form (also known as "weak mayor" or in Mississippi parlance "Code Charter") and the mayor/council form (also known as the "strong mayor" form).

A few of the cities in Mississippi operate as special charter municipalities owing largely to their existence prior to the existence of the current forms contained in state statutes. For the most part, the relationship of all of these cities to the state is the same. Municipalities in Mississippi have been granted very limited "home rule" over non-revenue related matters.

County governments and their structures are created by the Mississippi Constitution. There are basically two authorized forms of county government in Mississippi. These are known as the beat system and the unit system, respectively. In the beat system, there are five districts or beats with one elected supervisor from each beat. The five supervisors sit collectively on the county policy making body called the county board of supervisors. Each supervisor is not only responsible for making policy for the county but also for executing policies in his/her beat. The option of a professional county administrator is authorized by statute, but this option is only rarely employed. Under the unit system, the governing or policy making body is structured the same way as in the beat system. In the unit system, however, the county supervisor is a policy maker only. An appointed county administrator and other appointed county officials are responsible for policy execution. Traditionally, supervisors in this very rural state have been concerned more with infrastructure construction and maintenance than any other county function. It is this background that many of them bring to a discussion of county related issues. County government, according to Mississippi statute has been granted a measure of "home rule," but as is the case with cities this is a very weak, almost negligible power due to the restrictions placed upon it by the legislature. County government in Mississippi, as is typical of county government nationwide, serves as a local administrative unit for many state programs.

Both city and county governments in Mississippi have begun to express major concerns about mandates initiated at both the federal and state levels. This is one of the few areas of common ground for these two units of local government that, nevertheless, must exist side-by-side.

The research design implemented for this study called for two levels of data solicitation from local government officials from throughout the state of Mississippi. First, all local elected officials serving in a policy making role were surveyed by mail questionnaire. The questionnaire was field tested by mail immediately following construction. After changes were made as a result of this feedback, a focus group was invited to complete and critique the questionnaire. This focus group consisted of local officials and professionals in the economic development field. Very valuable information was received from this focus group, and it contributed greatly to the ability of the Stennis Institute to appropriately modify and accurately target the questionnaire.

The questionnaire was then administered by mail to local government officials throughout the state of Mississippi. This group included mayors, aldermen, or councilmen in cities and members of boards of supervisors for county government. Postage-paid, return envelopes were used as an incentive for officials to return the completed questionnaires. Initial tabulation revealed that there was an inadequate response from county officials. A sample of county officials was then administered the questionnaire by telephone. At the completion of the survey process, the responses of 498 officials were included in the study.

The second phase of data gathering involved inviting participants to public fora or focus groups held in each of four geographic areas of the state (see Appendix). Preliminary data from the initial survey analysis were presented, and the officials were encouraged to elaborate on these

items or others that were related to economic development. These sessions were quite useful in clarifying the rationale for responses in the mailed questionnaire. While appropriate feedback gained from these focus groups will be used in the main body of this report, a complete summary of the comments appears in the appendix.

Data Analysis

As discussed in the introduction, issues related to economic development in Mississippi appear to have either a state level focus or a local focus. For the purposes of data analysis, since the local government officials were the target of the survey, data will be segmented according to external and internal economic development policies and activities. External policies and activities refer to those things engaged in by the state and other agencies outside of the local government environment. Internal policies and activities refer to those economic development endeavors pursued within the local government environment. This is not to say that the two are mutually exclusive of one another, for this is certainly not the case. One level cannot function in the economic development realm without the other. Business activity and growth is locale specific. Local governments must operate within policy parameters set by the state and, in many cases, are obligated to follow the state's lead in setting economic development policy. This brings us to the reasons for conducting this research -- what is the nature of the linkage between local and state government in the area of economic development?

Local government officials participating in this study were asked a series of questions designed to gain some information with regard to their general orientation toward economic development. These data are discussed in relation to the following four tables.

Table 1 seeks information pertaining to the respondent's definition of economic development. The officials were given the statement, "When you think of economic development, the first thing that comes to your mind is."

TABLE 1

When you think of economic development, the first thing that comes to mind is:

| | % |
|----------------------------------------------------|------|
| Job creation | 57.9 |
| More industries locating locally | 29.8 |
| Increased income | 3.6 |
| Increase tourism | 0.2 |
| Chamber or Economic Development Council activities | 1.9 |
| Quality education | 2.5 |
| A competent work force | 1.7 |
| Other | 2.3 |

The general concept of "job creation" was selected by 57.9% of the respondents. This was followed by "More industries locating locally at 29.8%." Surprisingly, items such as increased income, and a quality education ranked very low in the minds of the officials when they considered the meaning of economic development as a concept.

The local government officials in the study were asked how helpful "outside" assistance was to their areas economic development efforts.

TABLE 2

How helpful is "outside" economic assistance to your area's economic development efforts?

| | % |
|-----------------------------------|------|
| Very helpful | 52.6 |
| Somewhat helpful | 30.2 |
| Outside Assistance Is Not Desired | 1.2 |
| Of Very Little Help | 12.5 |
| Not Helpful At All | 3.5 |

To this question (Table 2), 82.8% of the respondents said that such assistance was either "Very Helpful" or "Somewhat Helpful." This is a strong indication that among local government officials assistance from sources beyond the local government level is considered to be important, and that there had been positive experiences in the past.

The respondents were asked what the state's first priority should be in improving economic development.

TABLE 3

What should be the State's first priority to improve economic development?

| | Top Priority % |
|-------------------------------------------------|----------------------|
| More funding for higher education | 24.7 |
| More funding for K-12 education | 36.7 |
| Accelerated road 4-laning & improved bridges | 27.3 |
| Efforts to increase tourism | 4.3 |
| More adequate & affordable housing | 6.9 |

Table 3 shows that 36.7% of the local government officials cited more funding for "K-12" education as the area that should be the top priority for state funding. Accelerated road 4-laning and improved bridges was second at 27.3%, and more funding for higher education placed third at 24.7%. Efforts at increased tourism and more adequate and affordable housing drew very small responses. The data contained here is the first indicator of a pattern of preference for education improvements as a significant contributor to increased economic development capacity. They also signal the realization that highway transportation and infrastructure are important to these officials, many of whom live in remote areas.

Table 4 seeks information from the local government officials pertaining to who should be responsible for economic development strategy.

TABLE 4

The primary responsibility for developing a local economic development strategy belongs to:

| | % |
|----------------------------------------------------------------------------------------------------------------------|------|
| Chairman of Bd. of Aldermen or Board of Supervisors | 7.2 |
| The Chamber of Commerce | 5.8 |
| The city/county administrator | 1.4 |
| The mayor | 8.5 |
| Local govt. officials in cooperation with local businessmen, the Chamber, and the local Economic Development Council | 77.1 |

The overwhelming majority (77.1%) believe that local economic development should be a joint effort undertaken by local government officials, local businessmen, the chamber of commerce, and the local economic development council. Different development groups or local government officials acting alone gained very small responses.

The discussion immediately following is focused on two tables containing Likert Scaled items pertaining to external and internal issues, respectively. Table 5 exhibits data pertaining to External Economic Development Policies and Programs.

In general, one can detect from the data in Table 5 that there is, indeed, a desire for involvement by the state on the part of local government officials. Certainly, this is not surprising. There are, however, differences of opinion with regard to the relative awareness at the state level of local needs. The first question (Item 1) in Table 5 deals with the level of responsiveness of the state when directly contacted by local government officials. Over 60% of

the local officials feel that state economic development agencies are responsive to their requests for assistance. The next item (Item 2) begins a series of attempts to gain information regarding specific activities at the local level that would benefit from state assistance. In this instance, the question pertained to business "startups," something that is considered quite important at the local level. Slightly in excess of 50% of the respondents felt that state agencies were helpful in this activity. By the same token, the other 50% were not sure or felt that state agencies have not been very helpful in assisting local governments with business startups. Since the era of "smoke stack" chasing has virtually come to an end, this should be a reason to examine current state policies in this regard. Item 3 asked for a comparison of the importance of technical assistance to financial assistance from the state. It is obvious from these data that local government officials perceive a greater need for financial assistance than technical advice, since only 25.9% agreed that technical assistance was preferable. Currently, state and regional economic development agencies dedicate significant staff time to technical assistance. To be sure, financial assistance is limited by the lack of financial resources at the state level.

Item 4 seeks information concerning economic development policy making at the state level. Slightly more than half of the respondents (51.8%) feel that their own state legislators do a good job representing their economic development interests. On the other hand, 31.9% feel that their legislator is not doing a good job in this regard. Item 5 leaves no doubt as to the general feelings of the respondents regarding the propriety of state level agencies being involved in economic development matters, with 95.6% of the respondents agreeing that they should be involved.

Item 6 is an extension of the question asked in Item 4. Where Item 4 asked about one's own legislator, Item 6 inquires as to whether the legislature as a whole understands economic development. The results for this question were much less positive than were the responses pertaining to individual legislators. Over 36% disagreed that the legislature as a whole understood economic development needs of local government. In addition, 28.2% were not sure. This is certainly indicative of a significant level of dissidence with regard to legislative performance in the economic development arena.

Item 7 is important in that it seeks to discover the adequacy and, it may be inferred, the understanding by local government officials of state-wide economic development plans. In this case, 44.1% of the respondents thought that the needs of local governments were not adequately addressed in state-wide economic development plans. Only 26% of the respondents felt that local economic development needs were adequately addressed by state plans. It will be seen later in this report where this same sentiment was expressed during the regional focus group sessions (see Appendix). Many of those in attendance at the focus groups did not know of the existence of any state-wide plan at all. The fact that an inadequacy is perceived in this area should be cause for concern, because really all the local officials are saying is that if such plans exist, they do not include the input from local governments. This should enable future planning efforts to purposely be more inclusive of local governments.

In order to probe respondents concerning state level economic development policy, it is necessary to ask about all potentially major activity in this regard. Item 8 refers to whether or not the state should be involved in the traditional activity of industrial recruitment. Obviously, while most local governmental units have begun to display a high degree of rationality with

regard to outside industrial recruitment, they nevertheless hold out prospects that their community will land that one big industry that will turn their fortunes around. In excess of 90% of the respondents to **Item 8** agree that it is good policy for the state to be involved with courting of industries outside of the state.

The next six items, **Item 9** through **Item 14**, all refer to various other functions that the state could be involved in to stimulate economic development. These functions range from construction activities associated with industrial parks and speculative buildings to training activities for local government officials and volunteers working in local economic development. Those who agree that state government should be involved with such activities ranged from just over 70% for construction of utilities in industrial parks to 87.1% for training of local government officials in economic development activities. It is not surprising that such favorable responses occurred. If there is a surprise, it is that a non-infrastructure item ranked as highly as **Item 13** did pertaining to training. If these items had been asked in a scale format, then training would have outranked all other items in this series. This is reaffirmed when **Item 14** pertaining to training for non-governmental employees is considered. This item also exceeded 80% agreement in the opinions of the respondents.

In Mississippi and other rural states, one often hears the comment that many communities are simply too small to be included in policy and planning at the state level. In fact, statements to that effect were made at the focus group sessions following completion of the survey (see Appendix). **Item 16** seeks to discover the feelings of local government officials in this regard. When questioned about the impact their city or county would have on economic development if it were larger, 69.1% of the respondents agreed that if their city or county were larger it would

be more influential with the legislature on economic development issues. This can be read in two related ways. First, there is a genuine feeling that size of the city or county is what makes a difference in Mississippi. This feeling holds that state level economic development agencies go again and again to the same cities because they are only interested in success, regardless of which particular locale needs it the most. It is perfectly logical for economic development agencies to argue that this occurs because success breeds success. The same amenities that are appealing in attracting one type of industry will certainly attract another. There is an element of pathos in here, also. Since the legislature is the object of this particular question, one could conclude that policies passed by the legislature seem more applicable to larger cities and counties than to the smaller ones. The responses to this question may provide a rationale for diversification in economic development policy making. What works for the larger more growth oriented localities may be just the opposite of what needs to be done for smaller, more rural places.

Another criticism often heard from citizens is that there are so many problems that could be addressed by the state legislature, that if they would only deal with those then economic development would take care of itself. The local officials who were the target of this survey were given the opportunity to respond to this proposition. These responses are addressed in Item 16. A significant number, 35.8%, agreed that economic development would take care of itself if other problems were solved. Of greater significance, however, was the fact that 38.9% of the respondents disagreed and 25.4% were not sure. Thus, it may be stated that the local government officials in the survey accept the notion to some degree that the legislature should address economic development matters directly. The large percentage of the respondents who disagreed

is indicative of the feeling that you cannot hope to be successful at economic development if you do not address the very important, but somewhat tangential, issues such as education and training. By their disagreement, these respondents are saying to the state that they are wasting their money if they focus solely on economic development incentives without addressing the myriad of other problems that could be dealt with by state government.

Item 17 is much like Item 15 in that it asks about the impact of city or county size on state agencies. Predictably, the responses followed much the same pattern with 66.3% agreeing that if their city or county were larger it would have more influence on state agencies. This is further an indication that officials feel that their city or county must be larger, if they are to gain adequate attention from state agencies.

Items 18 and 19 address two education issues as they relate to economic development. When given the statement that funding for kindergarten through twelfth grade education is the most important role of the State in economic development, 82.9% of the respondents agreed. A similar statement in Item 19 pertaining to adult education resulted in 86.1% agreement from the respondents. The only detectable differences here were that 35.2% of the respondents agreed strongly with Item 18, as compared to 28% of the respondents in Item 19. Thus, it is hardly arguable that local government officials consider education that occurs in their community to be of significant importance to economic development. This mirrors other surveys done of private citizens. This finding is important, also, because there are times when local officials see themselves as competitors with education for scarce financial resources. This could be a reaction, also, to the somewhat unusual situation in Mississippi in which a permanent mandate of sorts has been created at the local level. This refers to the statutory process whereby school districts may

request a budget increase of 7% each year from the local governing body, and that increase must be granted. This has enabled the state to avoid increases in state appropriated funds since a 7% increase at the local level is virtually automatic. Agreement on Items 18 and 19 may signal a frustration on the part of local officials at the lack of funding increases emanating from recent state legislatures.

The data in Table 5 presents a mixed bag of what local government officials feel state agencies and policy makers should be doing in behalf of economic development. The greatest consistency in responses pertained to the broad area of education and training at the local level. This was true whether the issue was informal training for those involved in economic development or formal education as provided by public schools and training centers. This, coupled with the continuing desire of officials for the state to be involved in attracting industries, signifies a growing awareness on the part of local government officials that investment in human capital is a wise investment. This understanding has not always been evident. It now appears to be the feeling that if local citizens are to benefit from business and industrial growth they must be prepared to participate.

TABLE 5

Summary of responses related to non-local policies, programs, and activities.

| EXTERNAL ASSISTANCE SURVEY ITEMS | Strongly | | Not | | Strongly |
|-----------------------------------------------------------------------------------------------------------------------|----------|-------|------|----------|----------|
| | Agree | Agree | Sure | Disagree | Disagree |
| 1 State econ. dev. agencies are responsive when contacted by me or a representative of my city/county board. | 15.8 | 48.2 | 19.8 | 12.1 | 4.0 |
| 2 State econ. development agencies are helpful with local business "startups". | 8.9 | 42.7 | 23.0 | 20.6 | 4.8 |
| 3 Technical assistance is more important than financial assistance from State econ. development agencies. | 3.5 | 22.4 | 20.0 | 44.7 | 9.4 |
| 4 My state legislators do a good job representing the econ. development interests of this city/county. | 11.5 | 40.3 | 16.3 | 22.8 | 9.1 |
| 5 State level involvement in econ. dev. is necessary if we are to be successful at the local level. | 48.9 | 45.7 | 2.6 | 2.4 | 0.4 |
| 6 The legislature understands the economic development needs of local governments. | 5.8 | 30.0 | 28.2 | 26.2 | 9.9 |
| 7 The needs of local governments are adequately addressed in statewide econ. development plans. | 2.0 | 24.0 | 29.6 | 34.9 | 9.5 |
| 8 State gov't. could help my city/county by recruiting more industries to the State. | 38.8 | 53.7 | 3.4 | 3.4 | 0.6 |
| 9 Financial assistance from the State to construct industrial park sites would help econ. dev. in my city/county. | 31.7 | 46.5 | 9.9 | 10.9 | 1.0 |
| 10 State financial assistance to construct speculative buildings for new businesses would help my area | 27.3 | 48.1 | 10.3 | 12.5 | 1.8 |
| 11 State gov't. could help increase econ. dev. in my city/county by providing economic assistance to construct roads. | 32.8 | 51.2 | 6.9 | 9.1 | 0.0 |
| 12 State financial assistance to construct industrial park sites would best help my area. | 19.8 | 51.1 | 12.3 | 16.4 | 0.4 |
| 13 State gov't. should provide regular econ.dev. training to local gov. officials. | 27.5 | 59.6 | 8.5 | 4.0 | 0.4 |
| 14 State gov't. could help my area by training local bus. owners, econ.dev. officials, and Chamber members. | 19.4 | 62.3 | 11.1 | 6.3 | 0.8 |
| 15 If my city/county were larger it would have more influence with the State legislature on econ.dev. issues. | 23.0 | 46.1 | 13.7 | 15.6 | 1.6 |
| 16 If the state legislature would solve other problems facing the state, econ. development would take care of itself. | 8.6 | 27.2 | 25.4 | 34.2 | 4.7 |
| 17 If my city/county were larger, it would have more influence with State agencies. | 21.0 | 45.3 | 14.7 | 18.0 | 0.8 |
| 18 Adequate funding for K-12 education is the most important role of the State in economic development. | 35.2 | 47.7 | 7.5 | 8.5 | 1.2 |
| 19 Adequate funding for adult education is the most important role of the State in economic development. | 28.0 | 58.1 | 6.7 | 6.7 | 0.6 |

Further insight may be gained into this feeling by examining those policies and activities largely related to local implementation. Table 6 contains data related to Internal Policies and Programs.

As a general observation, Table 6 demonstrates the importance that local government officials attribute to economic development. Most responses indicate that economic development should be the primary focus of all of their policy making efforts.

In some areas of the state, a gap has appeared between local governments and local economic development groups. This is particularly true where the local development group is separate from the local government. Item 1 seeks to gain information regarding the prevalence of this condition.

When given the statement, "My city's/county's government and the local economic development groups work well together," 75.7% of the respondents agreed. This is indicative that the problem situation that exists in some areas is not prevalent state wide, and that there are numerous healthy economic development relationships.

Item 2 is the first which aims directly at the question of the relative importance of economic development at the local level. In responding to the statement in this item, 75.6% agreed that economic development is the most important issue with which the city/county must deal. This result is self-explanatory, and it underscores the significant level of importance that local officials place in economic development.

Item 3 is a reversal of sorts of an earlier asked question. In that question, there was only limited agreement that the legislature's solving of other problems would result in economic development taking care of itself. Respondents to Item 3 were given the statement, "If increased

economic development were to occur, other problems would take care of themselves." To this statement, 58.1% of the respondents agreed. If one were to interpret these two items together, they would appear to indicate that in the array of problems facing government, the solution of those related to economic development issues should precede and would result in the solution of many of the other problems that existed. By way of simplification, solving of other non-economic problems will not necessarily result in solutions to economic problems, but the solution of economic development problems will result in solutions to others.

Item 4 seeks information concerning the feelings of efficacy local government officials have in dealing with economic development problems. When given a statement that there is little local government officials can do to improve economic development, over 72% of the respondents disagreed to some degree. It may be somewhat troubling that approximately 20% agreed. The fact that local government officials feel that there are things that they can do to help economic development was echoed in many different ways by participants in focus groups as well. One interesting comment from an official was directed at the state when he said you don't have to help us, just don't hinder us. This is indicative of an acceptance on the part of local officials that there may not be a lot that can be done from the state level, but that local officials must continue the effort in their own venue. This can be read as a reaction to state programs that have proved unsuccessful or to state policies of concentrating efforts on units of government in a different category from that of the respondent. Regardless of the interpretation, local government officials are far from admitting hopelessness in dealing with economic development problems.

Item 5 is designed to gain information regarding what group should properly handle economic development initiatives. There are several different models for economic development programs, with the private sector being prominent in many of them. Item 5 stated that economic development was properly the job of private agencies rather than local government. More than 85% of the respondents disagreed. This is a strong indication that local government officials want the job of economic development. This is significant, since economic development matters can be expensive and leaving them to some sort of private arrangement could result in significant cost savings. Local government officials are clear that they consider economic development a prime responsibility.

Item 6 assists in gaining information regarding the ability of local government to generate revenues to be used for economic development purposes. Item 6 seeks information on whether local government should have the authority to raise local sales taxes for economic development purposes. Currently in Mississippi, sales taxes are a primary funding source for the state's general fund. Approximately one-fifth of the sales taxes generated in the cities is rebated to the city where the tax was collected. There is at this time no local option sales tax. Counties receive no proceeds from the sales tax. The sales tax may only be raised by the legislature. In recent years, both cities and counties have made significant efforts at getting the legislature to allow local option sales tax increases, but to no avail. When given the statement, "My city/county should have the authority to raise local sales taxes for economic development purposes," 63.7% of the respondents agreed. Only 22.8% of the respondents disagreed. Item 7 is related to Item 6 in that it seeks information on whether the local governing body itself should have the authority to raise taxes or whether this should be done based on a referendum

by the voters of that governmental unit. Approximately 44% of the respondents agreed that a referendum should not be mandated for this purpose. Approximately 45% felt that a referendum should be required. Local officials understand the efficacy of such revenue to fund economic development, but they also understand the significance of the tax issue with the voters. Thus, in the above combination of answers, they are saying to the legislature change the statutes so that local citizens may give us the authority to raise sales taxes for economic development. The 44% who favored an outright conveyance of this power from the legislature to local governments are apparently convinced of their ability to live with the consequences of increased taxes. This, most likely, rests with their feeling that with increased funds they can demonstrate improvements in the local economic environment.

It seemed appropriate, in light of all of the questions regarding local capability, to inquire as to whether local officials felt that the state should be involved at all. Item 8 contains the statement that economic development should be handled by local government alone, without assistance from the state. More than 80% of the respondents disagreed with this statement. Given earlier statements, on the part of local government officials that state government doesn't have to help us, just don't hurt us, these findings become somewhat confusing. One might assume that many of the local government officials desire state assistance, but they don't feel that they have been receiving assistance in the most effective form. Thus, they feel that the state should be helping their cities or counties, but that they would rather do without state assistance if it causes more problems than it cures.

Item 9 represents a fairly non-controversial principle. It presents the respondent with the statement, "If my city and county would work together, our economic development efforts would

be more successful." Over 82% of the respondents were in agreement with this statement. This does not necessarily say that cities and counties cooperate now, but that it is obvious to local government officials that it would be beneficial to both units of government if they did work together.

Item 10 represents another attempt to establish the relative importance of economic development efforts in the range of issues impacting local government. When given the statement, "Other problems in my city/county are more important than economic development," 57.4% of the respondents disagreed. This is certainly consistent with other statements that were intended to gauge the importance of economic development work.

TABLE 6

Summary of responses related to local policies, programs, and activities.

| LOCAL ELEMENTS SURVEY ITEMS | Strongly | | Not | | Strongly |
|-----------------------------------------------------------------------------------------------------------------|----------|-------|------|----------|----------|
| | Agree | Agree | Sure | Disagree | Disagree |
| 1 My city's/county's government and the local economic development groups work well together. | 23.0 | 52.7 | 8.3 | 13.9 | 2.0 |
| 2 Economic development is the most important issue with which this city/county must deal. | 30.3 | 45.3 | 7.7 | 15.4 | 1.4 |
| 3 If increased economic development were to occur, other problems would take care of themselves. | 12.5 | 45.6 | 15.1 | 24.8 | 2.0 |
| 4 There is little a local government official can do to improve economic development. | 4.0 | 16.8 | 7.1 | 54.7 | 17.4 |
| 5 Economic development is the job of private agencies and not local government. | 1.8 | 6.3 | 6.9 | 57.6 | 27.5 |
| 6 My city/county should have the authority to raise local sales taxes for economic development purposes. | 21.8 | 41.9 | 13.3 | 19.6 | 3.2 |
| 7 A referendum should not be required for my city/county to raise local sales taxes for econ. dev. purposes. | 12.1 | 32.2 | 10.7 | 36.2 | 8.7 |
| 8 Local economic development should be handled by local government officials without assistance from the State. | 1.8 | 9.7 | 7.1 | 64.8 | 16.6 |
| 9 If my city and the county would work together, our economic development efforts would be more successful. | 29.0 | 53.1 | 6.9 | 9.0 | 2.0 |
| 10 Other problems in my city/county are more important than economic development. | 4.7 | 16.6 | 21.3 | 50.4 | 7.0 |

When given the statement, "My city's/county's government and the local economic development groups work well together," 75.7% of the respondents agreed. This is indicative that the problem situation that exists in some areas is not prevalent state wide, and that there are numerous healthy economic development relationships.

Item 2 is the first which aims directly at the question of the relative importance of economic development at the local level. In responding to the statement in this item, 75.6% agreed that economic development is the most important issue with which the city/county must

The data in Table 6 exhibit a clear belief on the part of local government officials that economic development initiatives are the most important efforts in which their cities and counties are involved. These officials demonstrate a strong belief that their constituents expect them to be heavily involved in economic development work. The ambivalence that was sometimes evident in the responses to items in Table 5 was largely lacking in these data. It is only natural that local government officials would exhibit a locale-based focus for development. But they also express a strong desire for state involvement. This brings us back to the original question of what it is that local government officials expect of state-level economic development agencies and policy making bodies.

The following data will shed some light on the types of development and developmental activities that local government officials feel are most important. Table 7 exhibits the results when respondents were given an array of responses to the question, "What type of economic activity do you want to attract to your city/county?".

TABLE 7

What type of economic activity do you want to attract to your city/county?

| | % |
|---------------|------|
| Agricultural | 27.5 |
| Manufacturing | 55.0 |
| Retailing | 9.9 |
| Tourism | 3.9 |
| Other | 3.7 |

The data in Table 7 are indicative of a fairly significant change that has taken place over the last twenty-five years in the state of Mississippi. In the past, agriculture would have been

the primary form of economic development activity that would have come to mind when local government officials were questioned. Now, the percentage of respondents choosing "Manufacturing" as the primary economic activity that they were desirous of attracting is exactly double that for the "Agriculture" item. "Retailing," "Tourism," and "Other" comprise the remaining 17%.

Table 8 contains more specificity with regard to the exact structure of business that would be desired by the respondents.

TABLE 8

Which of the following would make the best contribution to your city's/county's economic health?

| | % |
|--------------------------------------------------------|------|
| Several locally-owned retail businesses | 17.3 |
| Several small manufacturing facilities | 52.7 |
| A large manufacturing facility | 21.3 |
| More local support services for existing businesses | 6.0 |
| Other | 2.5 |

Over 52% of the respondents indicated a preference for "Several small manufacturing facilities" over "Several locally-owned retail businesses" at 17.3% and "A large manufacturing facility" at 21.3%. Increased local support for existing businesses was preferred by only 6% of the respondents. These findings are interesting from two perspectives. First, in their preference for several small manufacturing facilities, local officials demonstrate that they have learned the lesson of diversification. There was a time when every community dreamed of landing that one "Fortune 500" company that would set them free financially. Now, they display a knowledge that a large facility that chooses to locate in a particular locale can leave just as easily. Second, the

necessity of taking care of the businesses a city or county currently has does not seem to be a high priority for respondents. More information on the efficacy of programs designed to keep the "bird in the hand" may be important. This fact was alluded to by respondents at some of the focus group sessions.

Table 9 contains data designed to determine the frequency with which local government officials initiate contacts with "State Agency Officials" and "Your Legislator."

TABLE 9

How often do you approach a state agency or legislator regarding economic development needs of your city/county?

| | State Agency % | Your Legislator % |
|-----------------|----------------------|-------------------------|
| Very frequently | 9.4 | 9.4 |
| Fairly often | 25.3 | 27.6 |
| Occasionally | 35.7 | 34.8 |
| Rarely | 19.6 | 18.6 |
| Never | 10.0 | 9.6 |

The responses in both these cases were virtually identical. Slightly under 10% responded "Very frequently" when asked how often they approached an agency or their legislator concerning economic development needs. Just over 25% of the respondents answered "Fairly often." The largest group, approximately 35%, answered "Occasionally." It is significant, however, that about 29% answered "Rarely" or "Never."

Table 10 contains data gained from asking the question, "Which economic development program is most helpful to your city/county?"

TABLE 10

Which economic development program is most helpful to your city/county?

| | Most Helpful % |
|---------------------------------------------------------|----------------------|
| Leadership development programs | 12.4 |
| Training for economic development officials | 15.5 |
| Loan & grant application assistance | 35.1 |
| Industrial site prospectus preparation assist. | 4.1 |
| Direct financial matching for capital projects | 25.8 |
| State land banking for economic development purposes | 7.2 |

Given the responses appearing elsewhere in this study, it would be safe to assume that any response involving direct financial assistance would almost assuredly be the most favored one of the respondents. This was not the case, however. While "Direct financial matching for financial projects was the second most chosen response at 25.8%, items that involved training and technical assistance comprised over 62% of the responses. The most often selected item was "Loan and grant application assistance" at 35.1%. The items of "Leadership development programs" and "Training for local economic development officials" gained 12.4% and 15.5% of the responses, respectively. This should be important information to economic development policy makers in a financially strapped state. There are two obvious implications of these findings. First, there is not a great demand for direct financial assistance. Second, the items that are favored can be characterized as "capacity building" functions in that they will contribute to the creation of expertise at the local level. The greater the skills at the local level, the less the pressure will be on the state level to provide costly services.

The local government officials in this study were given a list of responses to the statement, "The most important factor in guaranteeing economic development in my city/county is."

TABLE 11

The most important factor guaranteeing economic development in my city/county is:

| | % |
|---------------------------------------------|------|
| Strong public education system | 41.8 |
| Good transportation system | 6.3 |
| Good public services to existing industries | 8.1 |
| Proximity to large urban area | 6.5 |
| Improved infrastructure | 34.6 |
| Other | 2.6 |

The data in Table 11 show that there is a great deal of support for a strong public education system. This was listed as the most important factor by 41.8% of the respondents. The second most important factor as determined by the respondents was improved infrastructure at 34.6%. All other responses were under 10%. It is interesting to note the low percentage (6.5%) of respondents who chose "Proximity to a large urban area" as the most important factor guaranteeing economic development. While a great deal of research has pointed to such a location as being vital to economic growth, this is not the perception of the local government officials in this study. It is equally significant that these public officials appear to have accepted the argument that education is not tangential to but, rather, a vital part of the economic development effort.

Table 12 introduces fiscal priorities to economic development initiatives. Respondents were given a list of areas from which they were to choose their preference for the investment of scarce resources.

TABLE 12

In which area would you prefer to invest the State's and your own local limited resources?

| | % |
|---------------------------------------------------------------------------------------------|------|
| Improve local infrastructure | 44.4 |
| Improve marketing of local products & services | 6.6 |
| Improve education & training for local work force | 28.5 |
| Improve staff capability to write grant proposals and to recruit industrial prospects | 18.2 |
| Other | 2.3 |

The improvement of local infrastructure was given the highest priority by 44.4% of the officials responding. Improved education and training for the local work force was preferred by 28.5% of the respondents. Improved staff capabilities in the areas of grant writing and industrial recruitment were preferred by 18.2% of the officials responding. At first glance, these data may seem somewhat contradictory to the findings in Table 11 where education was listed ahead of infrastructure as the most important factor in guaranteeing economic development. This is not necessarily the case. Education may well be the most important factor in the minds of the local officials, but infrastructure represents the most pressing financial need. This is perfectly reasonable given the accumulating data on crumbling infrastructure and the increased demand that would be placed on a local governmental unit which was trying to attract industry.

A similar question was asked but in a more direct manner. Respondents were asked, "What type of State financial assistance do you need immediately?" Table 13 contains data gained from this question.

TABLE 13

What type of State financial assistance
does your city/county need immediately?

| | % |
|---------------------------------------------------------------------|------|
| Low-interest loans for business prospects | 32.7 |
| Local sales tax option | 18.0 |
| Tax abatement authority for relocating industries | 6.6 |
| State bonding program to acquire speculative industrial property | 5.9 |
| Funds to improve infrastructure | 36.7 |

Again, infrastructure was the top priority at 36.7%. Low interest loans for business prospects was second at 32.7%. Interestingly, the local sales tax option gained a significant portion of the responses at 18%. This is interesting in that this item placed well ahead of the traditional favorite of local government officials - tax abatements for relocating industries. In all likelihood, this represents an important rethinking of this concept.

SUMMARY AND CONCLUSIONS

The picture painted by these data is cloudy, at best. In past decades when the threat of loss of jobs to foreign countries was virtually unheard of, state and local government officials could concentrate almost exclusively on their abilities to lure industry to a specific location. This resulted in numerous small towns and counties learning how to flex their muscles in the contest to attract the biggest prize. To some extent, this exercise is still being carried out everyday, only now the game has changed dramatically. Fewer and fewer industries are in the business of relocating, and when they are they may generally choose anywhere on the globe as their destination. The data presented here seem to indicate that this reality is sinking in with local government officials. The process whereby a locality simply lands an industry and then

development follows has reversed itself. In the old scenario, things like infrastructure improvement and education would have been improved, secondly, as a result of increased revenue from economic growth which was spurred on by the relocation of some industry. Now, these and other items tangentially related to economic development are being given top priority even when traditional industrial recruitment and development activities are listed as an alternative. In all likelihood, this is a result of a realization that in a rural state like Mississippi a different approach will have to be tried. The local officials participating in this study clearly demonstrate their belief that economic development activities must be undertaken on a cooperative basis, both intergovernmentally and between the public and private sectors.

There is an emerging body of thought that holds that economic development in rural areas must follow this pattern of incorporating an integrated perspective. Development in rural areas is not simply a question of economics. A view is emerging that it is constructive to examine rural development in a broad context, encompassing all important issues pertinent to the individual and collective vitality of rural people and places (Organization for Economic Cooperation and Development, 1990). It encompasses such concerns as education, environment, individual and public health, housing, public services and facilities, capacity for leadership and governance and cultural heritage (OECD, 1990). In so doing, rural development becomes more than just an economic issue. It involves the broad range of development concerns related to the socio-economic vitality of rural people and rural areas. A further complicating factor exists in the diversity present in rural environments. Small dispersed populations, spatial and political isolation, and insufficient leadership and governance capacities characterize rural public management (OECD, 1990). These increase the demand for flexibility in policies which would

then accommodate the wide diversity of rural conditions and problems. In short, economic development in rural areas results from a broader array of policies than would be the case for economic development in other sectors. In this era of devolution of programs and initiatives from the federal level or the outright cancellation of programs (i.e., Federal Revenue Sharing), it appears that the interrelationship of programs and their impacts at the local level may have been ignored. This has not gone unnoticed by local government officials who feel the pressure to improve education, local infrastructure, housing and other issues related to the local environment. Figure 1 below represents a conceptual model of the relationships of various types of policies having an impact on rural economic development. It is important to note that many of these areas are encompassed by the problems addressed in this study.

Figure 1 is designed to depict a wide variety of rural policies. Horizontally, the policies move from greater to lesser specificity with regard to their relationship to economic development efforts. Vertically, the model depicts movement from those policies limited, to just economic development issues, to those that are general in nature. The model itself is an effort to depict the range of issues that have potential to contribute to economic development in largely rural environments. In examining Figure 1, it is in Block A where policies targeted specifically at economic development in rural areas would be considered. As shown in the model, policies such as financial aid to rural businesses would fall into this category. As one moves to the right on the model, policies less specific to economic development appear. Yet it is important to note that in each case, while economic development is not the specific reason for creation of these policies, they are important to overall economic development efforts. The effect is similar for policies that are general in scope. For example, Block D represents industrial development policy which,

while not limited to rural areas, has important impacts on rural economic development. Block E contains the example of education policy. Again, this is not a policy related directly to rural economic development, but one which when integrated into the broader economic development scheme will have major implications for the developmental process. It is obvious that such policies may not be undertaken by units of local government acting alone. It is obvious also, that in a largely rural state with the issue of development constantly before the people, that some effort should be made to incorporate economic development thinking into policies developed in all areas. It is not enough to assume that because a state has a singular economic development agency, that it can be solely responsible for any development that takes place.

FIGURE 1

CLASSIFICATION OF RURAL POLICIES

| | | Greater | Economic Growth and Development Emphasis | Lesser |
|---------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Geographic scope of policy or program | Limited to rural areas | <p>A</p> <p>RURAL ECONOMIC DEVELOPMENT Explicit rural economic development policies and programs (e.g., financial aid to rural businesses)</p> | <p>B</p> <p>RURAL COMMUNITY DEVELOPMENT Explicit rural development programs in areas other than economic development (e.g., leadership development)</p> | <p>C</p> <p>NON-DEVELOPMENT RURAL PROGRAMS Policies and programs directed toward broader rural concerns (e.g., agriculture programs)</p> |
| | General in scope | <p>D</p> <p>GENERAL ECONOMIC DEVELOPMENT Sectoral policies and programs with implications for rural economic development (e.g., industrial policy)</p> | <p>E</p> <p>GENERAL HUMAN RESOURCE DEVELOPMENT Policies with developmental implications other than economic (e.g., education policy)</p> | <p>F</p> <p>GENERAL NON-DEVELOPMENT Policies not closely related to development that have implications for rural areas (e.g., waste-water treatment)</p> |

Source: Rural Public Management, chapter 4, page 50. Published by Organisation for Economic Co-operation and Development (OECD), 1986, Paris, France.

If the wishes of the local government officials in this study were to be magically complied with, attention must be given education at all levels, infrastructure construction and maintenance, leadership capacity, and a variety of other related issues. Policies must be made at the state level which recognize economic development as a potential end result in all of these areas. Further, to bridge the gaps in policy formulation and implementation that exist between the state and local level, local governments must be given a broad role in the policy development process and flexibility at the implementation stage.

APPENDIX

SUMMARY OF COMMENTS OFFERED AT REGIONAL MEETINGS OF COUNTY AND MUNICIPAL OFFICIALS

Public meetings were held at Copiah-Lincoln Junior College in Wesson, Mississippi Delta Junior College in Moorhead, the Meridian Chamber of Commerce office, and the Economic Development Foundation office in Tupelo. The attached comments are grouped according to the regional meeting which generated the comments. This approach will reveal any regional differences that may be evident in the feelings of local government officials pertaining to economic development efforts. The following discussion contains some of the more notable topics addressed by participants in these meetings.

Infrastructure. Comments pertaining to infrastructure were prevalent in all meetings. Given what is known about deteriorating roads, bridges, sewer and water systems in rural states, this is not surprising. The anticipated impact of this crumbling infrastructure was addressed largely along two related lines -- (1) the need to construct, repair, and renovate infrastructure in order to attract industry or accommodate industrial expansion; and (2) the financial pressure of tending to deteriorating infrastructure, whether industry related or not, which detracts greatly or in some cases totally from resources available for economic development needs. The following are some examples of such comments.

Wesson - "On infrastructure, even if you don't have the money to do it, you can't afford not to do it. For example, communities at 220% of water capacity can't grow."

"On infrastructure issues, collective activity by multi-county groups is essential. For instance, the solid waste disposal initiatives now underway around the state."

MDJC - "...Bridges throughout the counties, and not just Washington County, but throughout the state of Mississippi are deteriorating fast, and we haven't been able to get that through."

"One thing is that to develop a landfill under the EPA regulations that are coming out now, you are not going to be able to afford one. It costs over a million dollars an acre to develop one."

Meridian- "Heavy emphasis on infrastructure needs in the responses is because that's the world they live in. Many local officials automatically seek outside assistance for responsibilities which they should address locally."

"...The truth is, if you don't have a plan, or adequate water and sewer, zoning and other services, then you don't deserve any help in economic development."

Tupelo - "Without local option sales tax, we will never have money for infrastructure."

"Solid waste and sewer situation is the most pressing right now. Department of Environmental Quality keeps changing the regulations. We can't respond to the changes in the laws because we have no revenues."

Statewide Plan and General Approach by State Officials. Attendees expressed little knowledge of a state-wide economic development plan. In addition, there were some ideas expressed regarding approaches that state level economic development officials might take to enhance economic development skills located on the local level.

Wesson - "Is there a state-wide plan?"

"A major effort was made to develop state-wide plans, and many people were involved in the process. Then public forums were held around the state to present the plans, but it is curious that people are not aware of the plan."

"Would like DECD to explain the possibilities and services to local government."

"Need a full-time person doing educational development but can't afford it."

MDJC - "...what we would like is to have somebody knowledgeable about small town development come to Benoit and look us over, maybe just a day, and then tell the Board of Aldermen and the Mayor what it is that Benoit itself needs to do to get going in this."

"...what can small towns in the Mississippi Delta do to develop economically."

Meridian- "The undecided (survey data summary) is large probably because many local officials just don't know if there is a state-wide plan or what their needs really are."

"Hattiesburg provides technical assistance to smaller surrounding communities. Part of the problem goes back to nobody paying attention to the needs of small local governments. There is no one person that can answer all their questions and point them in the right direction to get the help they need."

"It would be very helpful if there was an ongoing forum for economic development matters for local, regional, legislature, and agencies to communicate the problems and possibilities."

Tupelo- "Is there a plan? If there is, I don't know what it is...."

"...Yes, there is a plan but not many people have taken the effort to learn about it, and the Department of Economic and Community Development efforts to publicize the plan have not been successful."

"If we make a new state plan, then build in some continuity with goals that last longer than any administration."

Interlocal Cooperation. The issue of city/county, multi-county, and multi-city economic development efforts seemed to be of great concern to the participants in the public meetings. Most followed the line of thinking that maximum local effort is impossible without a great deal more cooperation among these entities than currently exists. The following are a few examples of these comments.

Wesson- "Cooperation is hindered by 'turfdom'. I see it in Pike County all the time -- south vs. north part of the county."

....cooperation between different towns and counties is hindered by "turf" and suspicion. Our town is way up in the furthest corner of the county across the river, and we have found it difficult to get cooperation from our own county and two neighboring counties don't want to work with us either."

MDJC - ".... it hasn't been too many years ago that in Greenville we were competing with Greenwood, Cleveland, or other local areas for industry. But today we are not-- we are competing with Taiwan, Hong Kong, and the only way we are going to do this is that what comes to Cleveland is good for Greenville and good for Indianola....We are going to have to work together."

Meridian- "The system is just too fragmented. There seems to be nobody to solve multi-jurisdictional problems and officials in smaller places don't typically have the resources or incentive or time."

"The fact is, without the Meridians, Hattiesburgs, Laurels, and Tupelos there is no economic development in Mississippi. The smaller towns around these cities won't face that fact and often don't understand that they will benefit from development in their area."

"....If Mississippi is to have economic development, municipalities have to provide the main role. Small places can't provide what industry needs, but supervisors refuse to believe this."

Tupelo- "Cooperation between local government and local business people is an important ingredient."

"Even though our community is only 11 miles away from Tupelo, our needs are completely different. We are across the waterway and transportation is very important to us."

The foregoing serve as examples of issues raised in these public meetings. Attached the reader will find a complete text of all comments made at the meetings. Also, attached are some well thought out written comments by some people who were invited but who were not able to attend one of the meetings. It is hoped that the information contained here and the completed research report to follow in a few weeks will be useful to those concerned with economic development at the state level.

REGIONAL MEETING - WESSON, MS
December 12, 1992

QUESTION: Are needs of local governments addressed in state-wide economic development plans?

COMMENTS:

Have never been contacted by Department of Economic and Community Development (DECD) people in 11 years of office.

QUESTION: Is there a state-wide plan?

COMMENTS:

On infrastructure needs, DECD is not really an infrastructure agency. Transportation or others handle these matters.

A major effort was made to develop state-wide plans, and many people were involved in the process. Then public forums were held around the state to present the plans, but it is curious that people are not aware of the plan.

QUESTION: Does the legislature understand the economic development needs of local governments?

COMMENTS:

Our legislators understand our needs, but I don't know about the legislature as a whole.

They always say "no funds available," but money isn't the answer for everything.

QUESTION: Should the state provide regular Economic Development training for local officials?

COMMENTS:

Seems these results contradict other results presented in that training was a lower priority when asked what to do with limited resources. When asked alone, training was viewed as very favorable alternative.

Community Capacity Building Program is a new DECD effort being tested in two communities now and will then be utilized in other locations when ready. The program has two components--Leadership Training and Community Capacity Analysis. This program will probably be very helpful to many communities.

Mayor has talked about expansion of existing businesses but hasn't been successful. "Status Quo" mentality in our area amongst many aldermen and other local residents. Our community is aging with more households 65 and older, so this may be part of the problem. Also, the homestead exemption is affecting our property tax revenues. Maybe the new Governor's administration can help to change attitudes.

Training for workers may be more important than training for officials, but JTPA program has too much red tape and too hard to obtain this assistance.

State Department of Education also has limited training funds available. Should check with them, but this source usually gets depleted quickly and not available to many who need it.

QUESTION: What would you tell Jimmy Heidel (Executive Director, Mississippi Department of Economic and Community Development) if he were here now?

COMMENTS:

I have heard that folks are afraid to go to the state with prospects until the deal is completely finished because the state will take the prospect somewhere else, and you will lose the opportunity.

I know where that comment came from, and that person spoke improperly. His comments could not be substantiated, and the issue has been resolved privately. It was unfortunate that the comment was made before a Chamber meeting and has achieved widespread acceptance as true, but the facts are otherwise.

We have had lots of support in the past few years from DECD when we have asked for help on specific items.

QUESTION: Are there other actors in this process that are important?

COMMENTS:

Yes, Mississippi Power and Light has been very influential in our area, but they play their cards very close and do not share information freely.

Yes, cooperation between different towns and counties is hindered by "turf" and suspicion. Our town is way up in the furthest corner of the county across the river, and we have found it difficult to get cooperation from our own county and two neighboring counties don't want to work with us either.

State financing is not as easy to get as they make you believe. Frustrated with grant writing and approval process.

Too much red tape bogs you down.

Perception of smaller areas is that state will give a prospect to larger areas with more political clout.

Cooperation is hindered by "turfdom". I see it in Pike county all the time--south vs. the north part of the county.

Secrecy is necessary because too much emphasis is put on larger towns.

QUESTION: What would you like to see happen in the next 2 or 3 years?

COMMENTS:

More development in rural areas.

Need low-cost financing (without the paperwork).

Would like DECD to explain the possibilities and services to local government.

Need a full-time person doing educational development but can't afford it.

New Mississippi Economic Council legislative proposals include a strong emphasis on infrastructure this year.

On infrastructure, even if you don't have the money to do it, you can't afford not to do it. For example, communities at 220% of water capacity can't grow!

On infrastructure issues, collective activity by multi-county groups is essential. For instance, the solid waste disposal initiatives now underway around the state.

REGIONAL MEETING - MOORHEAD, MS
December 16, 1992

MARTY WISEMAN:

I would like to discuss, in a general way, any of the information contained on these slides, and I can put those back up here, or things that weren't contained on these overheads that you think are issues that relate to the State being involved in your local economic development efforts. Has the State been involved enough in the past? Have you had success in getting efforts from the State in your behalf, or does the State do the right thing, or do you wish they would do something different, or there was more of what they do?

COMMENTS:

If the State would get more involved with existing industries that we already have and fulfilling their needs and keeping them happy, I think maybe that would something or a goal that we could shoot for. Existing industries I know in Greenwood are very important to us. We try to head off any problems we might have. We try to cater to their needs. A bird in the hand is better, in my opinion, because the happier you keep them, the more they are going to expand. The more you can show them how they can make money in your community, the happier they are going to be. That, to me, is very important.

The other thing--you had a slide there about training for local developers such as myself. I thin that is very important. I think we need training from the State--some of the programs that are available. As a group we need to know the financial end of it. We need to know the tax incentives. We need to know all of the programs available.

These are the two things I think maybe should be beefed up a little bit.

QUESTION: What can the State do to help the local businesses and industries sprout?

COMMENTS:

Benoit's population increased over 28% in the last census. It is still not but 640. When it comes to the percent of increase, I think we could make anybody take notice, but what we would like to have is to have somebody knowledgeable about small town development come to Benoit and look us over, maybe just a day, and then tell the Board of Aldermen and the Mayor what it is that Benoit itself needs to do to get going in this. We have long-range development plans, and we have 10 work groups we call them instead of committees to try to get across the idea that they were supposed to do something besides just meet. But it hasn't worked. What we need is to develop more leaders in our community. We have about one of those committees that has active leadership. The leadership in the others is about non-existent. You appoint a Chairman and members and that's the end of it. What can small towns in the MS Delta do to develop economically? Surely, local government officials sit around and say, if we could just get this done or that done, then we could do something.

I think tourism is one thing. I know people have gotten where they want to come to Mississippi--to come to the Delta. I don't think it is something that has caught on. Greenwood has a tourism tax. I think it is something that we are proud of. I think that has generated an increased tourist revenue.

I think your percentage there is pretty close in the way it reflects the amount of your growth there. I think ours runs about 5%, and that is based on sales tax collections. About 5% of our total sales tax collections amount to. I may not be comparing apples with apples. You are apparently close there with what you are saying. Of course, ours is just two years old and, hopefully, it will increase.

Tourism in MS last year was a 1.6 billion industry. In Alabama it is like 2.4 billion--somewhere in there. You can see that is a pretty good generation of dollars when you start talking about billions instead of millions. It makes a lot of difference. People like to pick cotton. I have had prospects come to Greenwood that wanted to get out in the fields and pick cotton. I've gotten out in my dress shoes and helped them pick cotton since that's what they wanted to do. I grew up in a cotton field so it doesn't make any difference to me. It does to somebody who's never seen it before. People like that. They like to see the MS River. People want to come do that. They want to see about catfish. I want to see how they are grown, how they are bred, how they are hatched, etc.

There's not many people left in the MS Delta that can show them how to pick cotton.

I've got a granddaughter who lives in Miami, FL. She visited me last summer, and I had to pick some cotton for her. She pulled some bolls and took them back to FL. She hadn't seen that before.

I feel there's a subject that I feel like is very relevant to economic development, and I have noticed in almost every instance where the subject was addressed there about infrastructure. I think that the mandates that are put on municipalities that want to expand their boundaries directly affect the amount of development any community can pursue. Much of our sewer and water supplies and plants directly affect the amount of development that any community can pursue. The age of a great many of our cities, and I speak first hand from Greenwood, much of sewers are at least 30 years old and are anywhere from 30-100 years old, and what it costs to rehabilitate that, to take care of just the business area and the homes that are there, plus what you have to do to attract other users--that will directly affect the growth that you have or your ability to provide those services that any new industry that you bring in might have. I think the mandates that we have that are put on by the Department of Environmental Quality that ultimately flow down from the EPA are going to affect whether or not we are in a position to actively pursue and accommodate any industry that might even look at us. I know I have kind of rambled there. This is a real concern of mine, and it has become a lot more so in the past couple of years, since our rains in the past spring that have just really played havoc with our sewerage collection system.

QUESTION: What would be a solution there--Federal money or ...?

COMMENTS:

No, I'm not just saying Federal money. I think that relaxation of some of those mandates that are placed on us. We are not going to be able to continue to provide services and expand in the event that we might even have hopes of bringing in new industries. If we could just take care of what we have. I think there is going to have to be some type of relaxation. I think the State can help us do that. I don't think just MS can. It is going to take a partnership among the states. Just like it will a partnership among the cities in the state. Where it really hits us is right down here at home. They say, "Why can't you do it, Mayor? What are you doing with all that money you get?" It's just not enough of it to go around. I got a call last week from MS News Service about the financial position Greenwood is in. We are mandated to balance our budget. We can't go out here and spend more money than what we take in. We have got to fiscal responsibility. We are paying a fine because we don't have enough adequate cover on our landfill. I served one time on the Air and Water Pollution Control Commission for a period of four years. Today, that Commission does not have a municipal representative on it. They don't know what the devil they are talking about when they pass new stuff on to municipalities. That's wrong. The legislature developed that, and they are wrong in doing it. More than 50% of the people live in municipalities. I have been around long enough to know some of the things I am talking about.

QUESTION: Is Greenwood involved in some regional effort?

COMMENTS:

Yes, sir, we are involved in such. We are limited in what we can actually do toward developing these things. I have spent a day in Jackson last week. We know that if we go to a privatization, it will cost us somewhere between 13-16% more money than if we do it ourselves. We don't have that much money to play around with. That's a pretty good jump. The people who have to pay for it--they are already saturated with tax. I mean saturated to the limit.

I will have to agree with Mr. Fancher when he said that there could possibly be a relaxing of some of these rules that are trickling down to us. If not, then at least give us the means to fund what we need to fund. Many of us are at or near bonding capacity, or at least we are at the saturation point in taxation. One thing I noticed before I became City Clerk, the city got a grant--not a grant but a loan from the State--a loan against future sales tax receipts, and we are still paying that back. It was a long amortization program. It is a way to finance something very expensive. It would be a way to finance a lagoon or whatever.

QUESTION: Then you say low interest, what was the interest rate?

COMMENTS:

I don't even know. Probably 2% or something like that.

QUESTION: Louis and Harrell say they are saturated with taxes. How do they feel about 1/2% local option sales tax?

COMMENTS:

I don't feel at all about it myself. I think we need a 1% mandated by the State. Let all of the municipalities in the State have a shot at that.

QUESTION: What about the counties:

COMMENTS:

The counties don't get any sales tax. The only funding a county gets is ad valorem taxes. As I explained to our governor-elect the other day in Greenville, that horse has been ridden to death. Our legislature is going to have to come up with some alternate plan for counties.

Steve Oswalt will remember, it was October a year ago, we came to Moorhead, MS and advocated a 1 cent mandated sales tax with the counties getting 25% of it. Is that right?

Yes, but we haven't gotten it through.

No, we haven't. We've got one side of the House to do it.

There again, counties for the last two years have tried to get the legislature to adopt some amount of fuel tax which could be used by counties for bridge restoration. Bridges throughout the counties, and not just Washington County, but throughout the state of Mississippi are deteriorating fast, and we haven't been able to get that through.

All of this reflects on economic development.

In Benoit, we have the public school which is mostly a rural, very low income group that they are dealing with, and then we have several private schools in the area. But these are very expensive. And a young couple comes to Benoit and when their child gets to be school age, why then the cost of that private education, the lack of what they may consider to be an adequate public education gets to them, and they move, but they don't move to Greenville. They move out of Mississippi. They don't just move out of Benoit, they move to northwest Arkansas or some place like that--some place that has a good public school system.

Along that same line, and it hasn't been too many years ago that in Greenville we were competing with Greenwood, Cleveland, or local areas for industries. But today we are not--we are competing with Taiwan, Hong Kong, and the only way we are going to do this is that what comes to Cleveland is good for Greenville and good for Indianola. What comes to Greenville is good for Indianola and Cleveland. We are going to have to work together. We just lost an industry in Greenville this year to Taiwan. Schwinn pulled out. If this trend continues, and I told Richard Schwinn, it is not going to be too many years down the road that the workers in this country are not going to have jobs to make money to buy Schwinn bicycles and anything else.

QUESTION: What about infrastructure?

COMMENTS:

Solid waste disposal is very important as Mayor Fancher said. You can't leave out hazardous waste disposal, too. We don't have a plant in MS to dispose of hazardous waste. We are going to have a plant to do that. A lot of people look for that.

QUESTION: Isn't this mandated by the legislature by a certain time? Then the State is going to say the site is going to be here and develop it? They say the Delta is not suitable.

COMMENTS:

We have been working for three years on solid waste disposal, and we are down to the wires now. The Board is supposed to act on our permit tomorrow, and we have a petition being circulated in Greenville today. There is nobody that lives within a mile of the site. They don't really understand what it is going to do.

QUESTION: Have you as a developer had to answer questions many times on what I would do with hazardous waste?

COMMENTS:

No, but I am sure it is coming.

QUESTION: I am wondering how you would answer that. I guess you would have to tell them, well, we're working on it. Can they ship it out of state now?

COMMENTS:

I think Alabama is doing that.

QUESTION: The price has shot way up hasn't it?

COMMENTS:

I'm sure it has. But, see that's another cost of doing business.

QUESTION: Marty, how much industry have we lost in the state--does anybody have a figure on that?

COMMENTS:

I'm not sure. I haven't seen the statistics. You mean that have been here and left?

Right.

QUESTION:

Have y'all seen any figures on that? Particularly in the clothing manufacture and things like that there has been a good bit. But, I can try to find out--it's something I need to find for the final report on this.

COMMENTS:

I mentioned about this Board. I'm not running for a position on that. I'm just pointing out the fact that this is an area we need representation in--someone that is knowledgeable about the problems we are up against. I realize we have conscientious Board there, but they are not directly involved and don't understand it like the person who is involved.

QUESTION: Are there any other comments?

COMMENTS:

I would like to hear him say again why there are not going to be any permits issued in the Delta.

One thing is that to develop a landfill under the EPA regulations that are coming out now, you are not going to be able to afford one. It costs over a million dollars an acre to develop one. But, there's one thing you can do to a landfill. You don't have to stop it at 30 feet high, you can go on up to 200 feet if you can get up there, as long as you are 30% or less incline. You can put a lot on an acre of ground if you can get enough acres in that permit.

The price now is the same regardless of how many units you have got participating. If you had four counties and seven cities, the permit price is the same? You just prorate it out to the different cities and counties participating?

Well, the way ours is set up which is six counties that we are dealing with. We are not going to a landfill, we are going to a recycling compost facility. Each county is going to pay the same the same tipping fee per ton that they bring in there. Washington County pays the same thing per ton for garbage it brings in as Bolivar or Humphreys County brings in.

QUESTION: Are you doing recycling on all of your non-hazardous waste? Are you going to have anything for a landfill?

COMMENTS:

Yes, you will have your construction debris and limbs and such as that.

A lot of that stuff (wood) is going to be ground up and put into compost.

We will pull out the plastics, the glass, metals and such as that and recycle. The rest will be ground up into compost.

QUESTION: When you do that it is going to cost the municipality more to bring it to you. Am I correct?

COMMENTS:

No.

Well, the landfill concept, to make it economically acceptable, you would have to have 100,000 inhabitants. Anything less than that is really not economically acceptable.

Of course, I don't know what y'all pay now for landfill, but this is going to cost less than what Washington County is paying BFI to come to their landfill out from Greenville.

You see what you run into like we are here in Moorhead, we pay BFI. They haul it. It is cheaper for us to do that and than have a larger truck going to the landfill.

Well, under this setup, there will be a transfer station somewhere in this area. You get it to the transfer station, and that is as far as you have to haul it. The service authority's truck will pick it up at that transfer station and take it to the processing plant.

I believe that every landfill is going to have some type of recycling--maybe not everything but a part of it. I don't believe there is any recycling center can exist without a landfill. Some of that stuff is going to have to be buried. That is what I have seen and worked with the last two years.

You talk about compost. Why, the gins you know have tremendous big piles of waste. They can't burn that any more, and they talked the farmers into hauling that stuff back, and they

have hardly got enough any more. There is a big demand for the kind of compost--it is not composted. It is just raw. But it will be compost when you mix it in the ground. Any everybody was wondering what they were going to do with that. Now they haven't got enough.

Every man, woman, and child creates about 4 lbs. a day. That's the average.

Too much is being spent on public education for what we are getting out of it. We need to screw down on people who are putting out children who can't read at the 3rd or 4th grade level. Jamie Whitten has ruined Tallahatchie County. We can't get our garbage in a pit. Where do we go if they start fining us? They need to relax stringent rules. People are just getting by. We aren't going to be able to get rid of garbage. One of our supervisors said to just throw it in a ditch liked we used to do. Two of our Board of Supervisors are illiterate. Where do you go? We are trying to go in with Clarksdale or Coahoma County. Tallahatchie county not doing anything. These are big problems in our little town--garbage and recycling.

I don't believe anyone would object living next to the landfill in Shelby County, TN. We need more publicity on what a landfill looks like.

REGIONAL MEETING - MERIDIAN, MS
December 17, 1992

QUESTION: Do state-wide plans adequately address the needs of local governments?

COMMENTS:

The undecided category is large probably because many local officials just don't know if there is a state-wide plan or what their needs really are.

Comments from our first meeting indicated that it is hard to get information to the small city/county folks.

Hattiesburg provides technical assistance to smaller surrounding communities. Part of the problem goes back to nobody paying attention to the needs of small local governments. There is no one person that can answer all their questions and point them in the right direction to get the help they may need.

PDD's (Planning and Development District) worthless for economic development. Their plans are not legitimate and do not reflect reality. Everybody there is just "meeting a requirement" to trigger continued funding for programs already in place. Also, there is such a high turnover of personnel that it is difficult to achieve the continuity necessary for real planning and development through these offices.

The system is just too fragmented. There seems to be nobody to solve multi-jurisdictional problems and officials in smaller places don't typically have the resources or incentive or time.

Local governments fund a local or regional economic development entity, but they don't fully follow through with the long-term process necessary. So, the local economic development office becomes a convenient scapegoat for them to point their finger at, or they just end up handling things that nobody else wants to deal with or is able to deal with.

Heavy emphasis on infrastructure needs in the responses is because that's the world they live in. Many local officials automatically seek outside assistance for responsibilities which they should address locally.

So many of the "local problems" are just the same all over the state:

- Solid Waste
- City and County service duplication
- Bridges

But too many local people do not want to tackle these problems because they either involve generating local revenues (raising taxes) or they refuse to cooperate amongst themselves.

Also federal and state government have delegated responsibility but not funding for fundamental needs.

There isn't a single county or city that could not truly benefit from school consolidation, but this issue never is addressed for many reasons. It is an example of local governments not being able or willing to take real action on real problems.

QUESTION: What about the idea that state-level plans don't care about the smaller communities?

COMMENTS:

The fact is, without the Meridians, Hattiesburgs, Laurels, and Tupelos there is no economic development in Mississippi. The smaller towns around these cities won't face that fact and often don't understand that they will benefit from development in their area.

There is the example of the DeKalb sewer lagoon. The Department of Economic and Community Development (DECD) helped them to finance building it several years ago. Now the city expects continued funding to help maintain and expand the facility, so they aren't taking real responsibility for their own interests.

It would be very helpful if there was an ongoing forum for economic development matters for local, regional, legislature, and agencies to communicate the problems and possibilities.

An example of the mentality that is out there. A board of supervisors recently decided to lease a plant facility for \$200 a year to a company rather than letting the business purchase the building and be put on the tax rolls. Supervisors say they would rather have "control" of the facility, since they feel it is their only economic development asset.

QUESTION: What about the matter of lack of trust amongst local governments. What can DECD do to address this issue?

COMMENTS:

Often, constructing industrial parks just get local officials off the hook. They can point to it and say that they are doing something, but just building a park does not work.

Local leadership programs--can't get enough local people into them to be substantive. The program has to be long and challenging, but few "leaders" are willing to make the commitment.

A perfect example--NASA plant impact area study found that in one county there are 22 independent water systems in a county of 18,000 people. Making one water system would offer great advantages, but there is incredible resistance to the idea.

Somebody has to tell the truth, but it won't be the Municipal Association or Supervisor's Association or DECD. The truth is, if you don't have a plan, or adequate water and sewer, zoning, or other services, then you don't deserve any help in economic development! Somebody just needs to explain that to people, but there is nobody willing to tell that truth!

As for the survey, its kind of like asking children to make their own rules. It is dangerous to use these results and say that they are the truth about economic development here in Mississippi.

The fact is that there are more municipalities in Mississippi than there are people in DECD. We can't hold everybody's hand and do for them what they should be doing for themselves.

There are probably not more that 15 places in the state creating jobs and deserving of DECD attention.

Plans have to be developed at regional and sub-regional levels. Most areas are unwilling or unable to participate. Turf battles erupt at the hint of cooperation and compromise necessary for this type of planning.

The truth is that support for economic development has got to be put there by municipal government. Outside of municipalities, nobody is capable of handling it. Municipalities have to provide for business and industry, education, poverty, and everything. If Mississippi is to have

economic development, municipalities have to provide the main role. Small places can't provide what industry needs, but supervisors refuse to believe this.

The truth is dangerous. The Mississippi Municipal Association is weighted all wrong because Noxapater has the same vote as Jackson.

Affluent whites' flight to county from cities to counties is problem. Counties not able to utilize the funds generated by their new residents--annexation is possible but difficult.

The legislature is so rural-dominated. Local option sales tax is the key, but the legislature won't hear of this. The fight needs to be championed to them by someone other than a local official or a bureaucrat, because we are viewed as having too much vested interest in the matter.

QUESTION: Is dispersion of population a dilemma?

COMMENTS:

Yes, Jackson for instance has a different agenda than Shubuta, but the legislature won't recognize that.

True home rule needed along with local sales tax option.

QUESTION: What about the idea that economic development is a public/private sector responsibility?

COMMENTS:

Yes, it is essential, but delegation and direction is difficult. Business should prod government in the right direction, but business can push election officials too far from the table.

QUESTION: Why no programs to attract retirees to the state?

COMMENTS:

Retirement communities are now on the DECD agenda along with food processing plants as a priority, but funding to kick these efforts off are a problem with the legislature.

Well there are two things to help that problem--local sales tax options and true home rule. Our city could do those things--you don't have to help me, just don't hinder me!

All these problems really go back to our outdated state constitution.

Also we need more sunshine in the state legislature. That would help to make it more progressive.

You must let the communities that can do it have the means to do it. Don't help me, just don't hinder me.

Conflict of interest laws are siphoning off all the good local officials. The people best able to address complex issues can't afford to serve.

REGIONAL MEETING - TUPELO, MS
December 19, 1992

QUESTION: Do state-wide economic development plans address the needs of local government?

COMMENTS:

Is there a plan? If there is, I don't know what it is....

Communication is important. Yes, there is a plan but not many people have taken the effort to learn about it, and the Department of Economic and Community Development (DECD) efforts to publicize the plan have not been successful.

Any old plan should be discarded anyway--it's not good to change every four years, but with changes in administration a new direction should be started.

As for a state plan, why try to develop the whole state equally? We should concentrate on those areas where something can be done. That's not popular, but it is realistic....

QUESTION: If Mr. Heidel (Executive Director, Mississippi Department of Economic and Community Development) were here right now, what would you tell him?

COMMENTS:

Must develop on a city to city basis, not statewide.

Its just like teaching a class, you must adapt to capabilities of students...trying to make every community in the state learn how to develop is impossible. Should focus efforts on students most able to learn if you want to accomplish anything.

You must think globally, but act locally. The state can't develop a community...only the community can develop itself through its own initiative. The state can assist but not lead.

If we make a new state plan, then build in some continuity with goals that last longer than any administration.

Even though our community is only 11 miles away from Tupelo, our needs are completely different. We are across the waterway and transportation is very important to us.

I think that DECD people want to talk about selling their program rather than discussing local problems and local needs.

We don't feel we have a stake in a state-wide plan.

Regionalized planning would be more sensible, but then you're back to concentrating only on the areas which can best develop, and that's not very popular and maybe not politically wise.

QUESTION: Who bears the primary responsibility for developing an economic development strategy for your city or county?

COMMENTS:

Cooperation between local government and local business people is an important ingredient.

We have very good cooperation in our area.

Cooperation is our strongest asset. Business leadership is more adept at economic development planning than government officials. Officials can use development plans for political purposes rather than growth.

I agree--changes in administration can waste money and time. The Community Development Foundation is community oriented--not politically motivated.

Politicians are afraid to do what is needed.

The city is run by part-time help, so the Chamber of Commerce is crucial.

If there is a vacuum at the state level, then there is no agenda and locals can do as they please. We don't have a state-level private business group to help stabilize and lead a state-wide effort.

Business experience and knowledge is imperative.

QUESTION: How do you see the role of the state legislature in economic development?

COMMENTS:

Our legislators have been very responsive.

As a group. It doesn't need to worry about local needs because they are concerned with state-wide needs.

4-Laning of highways came from the bottom up, so on this matter they were responsive.

Local Option Sales Tax--on this matter they are not responsive. Home Rule matters are scary to them. They are not willing to let go of any authority, but they won't take the responsibility either.

Micromanagement of local affairs by legislature is a problem.

Young families moving out of town and not paying taxes to city. This is a big problem for our community. The legislature could not stand in the way of changes needed to correct the situation, but they won't.

QUESTION: Infrastructure needs were very important to survey respondents. Any comments on this matter?

COMMENTS:

Without Local Option Sales Tax, we will never have money for infrastructure.

Elected officials must be aware of infrastructure because that's why folks call them, and that's how they get re-elected.

Solid waste and sewer situation is the most pressing right now. Department of Environmental Quality keeps changing the regulations. We can't respond to the changes in the laws because we have no revenues.

QUESTION: What about the idea that economic development pits the bigger communities against the smaller ones? Aren't they feeding off each other?

COMMENTS:

Sure, our workforce is all over the area. People commute all over to work.

The sales tax hemorrhage from small to large is resented though.

Our regional economic development agencies are very good. For instance, the Solid Waste Consortium is working very well for the region and draws heavily on the financial and

technical resources available from Tupelo. What we do is make a 10 year plan--it helps with changes in people and implementation.

A big part of the job is just getting your numbers together. Numbers on where you are right now. So much of this is available from local state and federal sources, but so few people know where to look for it or how to interpret it. This is a fundamental step, and we get calls from out of state all the time about how to do it, but nobody in Mississippi seems to want to know. This is something any local group can and should do for themselves, but so many won't even take this first step.

Lack of wanting to know how to do these simple things is a big problem.

In fact, we organized today a 22-county council to help look at changes needed for the new NASA plant that's coming. It really needed to be done to address things like areas where there are many different little water associations and such.

QUESTION: What kind of things are holding you back at this time?

COMMENTS:

On bond issues, the ones who defeat them are the ones who would be exempt anyway.

Ad valorem taxes are making surrounding states more attractive. We are discriminating against capital intensive industry with the best jobs. We may lose some of our best employers if this part of the tax structure is not changed.

A change in the Ad Valorem should be part of the state plan--the state should concentrate on making Mississippi most hospitable to investment and industry and then let the local and regional people take the initiative on stimulating the actual development.

BIBLIOGRAPHY

- Ambrosius, Margery Maryahn. 1988. "The Role of Occupational Interests in State Economic Development Policy-Making." *Western Political Quarterly*. 41(1): 53-68.
- Barnekov, Timothy and Daniel Rich. 1989. "Privatism and the Limits of Local Economic Development Policy." *Urban Affairs Quarterly*. 25(2): 212-238.
- Fischer, Claude S. 1978. "Urban-to-Rural Diffusion of Opinions in Contemporary America." *American Journal of Sociology*. 84(1): 151-159.
- Green, Gary P. and Arnold Fleischman. 1989. "Analyzing Local Strategies for Promoting Economic Development." *Policy Studies Journal*. 17(3): 557-573.
- Jones, Bryan D. 1990. "Public Policies and Economic Growth in the American States." *Journal of Politics*. 52(1): 219-233.
- Kaye, Ira. 1980. "Transportation." *Rural Society in the U.S.: Issues for the 1980s*. Don Dillman and Daryl J. Hobbs, eds. Boulder, Colorado: Westview Press.
- Organization for Economic Co-Operation and Development. 1990. *Partnerships for Rural Development*. Paris, France: OECD.
- Organization for Economic Co-Operation and Development. 1986. *Rural Public Management*. Paris, France: OECD.
- Parks, Gail Armstrong, Peggy Ross, and Anne E. Just. 1980. "Education." *Rural Society in the U.S.: Issues for the 1980s*. Don Dillman and Daryl J. Hobbs, eds. Boulder, Colorado: Westview Press.
- Rubin, Irene S. and Herbert J. Rubin. 1987. "Economic Development Incentives: The Poor (Cities) Pay More." *Urban Affairs Quarterly*. 23(1): 37-62.
- Tweeten, Luther. 1980. "Employment." *Rural Society in the U.S.: Issues for the 1980s*. Don Dillman and Daryl J. Hobbs, eds. Boulder, Colorado: Westview Press.