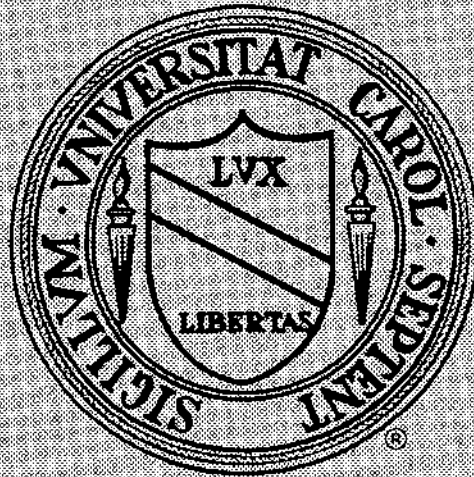


# Southern Regional Policy Center

## *Action Plan*



*by*

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## ABSTRACT

The Southern Regional Policy Center is conceived as the means by which the South will link its many scattered policy resources, principally through its systems of higher education, and build a new region-wide set of "Foundation Factors" essential to the region's development, while striving to build new alliances and strengthen existing ones between policy researchers, policy makers, and local officials.

The coming decade will be a critical period of development in the southern states and regions of the United States. Much of the economic base and overall preparedness that brought initial prosperity to rural regions and the poorest workers will erode beyond recognition and repair. This plan identifies a number of new "Foundation Factors" important for economic development that appear to be emerging in small cities and metropolitan areas of the south; while significant, they alone are incapable of pulling the entire region and its neediest citizens into an ever more competitive mainstream that flows in directions set by international and technological advances.

The principal staff proposing this Center bring significant expertise in economic development and policy research, and have established networks of colleagues in the region and through out the nation. The Center will operate under the University of North Carolina umbrella and will build region-wide networks of research scholars, professional and community clients, and policy partners. Numerous core operations, significant policy research, and related regional development activities are envisioned.

*The full set of documents that support the Center concept includes:*  
1) *Prospectus*, 2) *Action Plan*, and 3) *Questions & Answers*.

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## SOUTHERN REGIONAL POLICY CENTER: A PROSPECTUS

Untold millions of dollars from foundations, corporations, and governments have been poured into policy research regarding the birth, the development, and the continuing weakness of the Southern economy. In the minds of some, much of this investment has yet to be fully exploited.

This Center's price tag (nearly \$3 million over 4 years) taken alone is a sizeable yet essential investment to leverage available talents and resources gained earlier at considerably higher costs, thereby ensuring that actions taken on broad fronts finally yield long-overdue social dividends from effective policy choices. It is important to stress that this organization is ready to open its doors, and that the funding requested will be put to work immediately (*See also "Questions and Answers," about SRPC for Foundations, Government and Corporate Sponsors*). Moreover, it is the seed money needed to leverage the University of North Carolina's institutional commitment to help ensure the Center's permanent presence in Southern affairs and to establish the importance of its mission in the region.

The Center seeks to effect *fundamental change* in a number of areas, and most importantly in the South's utilization of all its human resources, as the broad talents and potential contributions of currently "dependent" populations are the region's most underutilized asset.

The mission of the Southern Regional Policy Center (SRPC) is to further organize and actively collaborate with those constituencies who realize that mutual gain will accompany the implementation of fundamentally sound, regionally-oriented development policies.

A clear consensus is evolving in the South that new opportunities exist for genuine regional policy collaboration among Southern leaders and scholars, and that this plan's fresh and workable approach to public policy research is an idea whose time has come. The Southern Regional Policy Center will seek to create a regional vision by capitalizing on the unexploited networks that already exist and the natural symbiotic relationship of policy research professionals, educational and policy organizations, and the decision makers in the communities they serve.

Professor Edward Bergman (UNC Department of City and Regional Planning, or "DCRP"), Rick Carlisle (DCRP graduate, 1980), Dr. Stuart Rosenfeld (DCRP adjunct faculty), and Dean Judith Wegner (UNC Law School) have designed and now propose a permanent Southern center for policy research at the University of North

Carolina. Sufficient groundwork has been laid to allow the SRPC to begin its operations very quickly after funding, with an experienced internal core administration and research staff comprised of the principals, fellows, and policy colleagues in many Southern institutions of higher learning, including faculty scholars and graduate students from historically black colleges and universities.

The Southern Regional Policy Center is conceived as the means by which the South will link its many scattered policy sources and build a new region-wide set of Foundation Factors essential to its development. The Center will operate with an "inclusionary" policy that actively engages many organizations, officials, scholars and communities across the South.

The region's people and leaders face a formidable challenge in the coming years to correct the downward trends evident across a wide spectrum of social and economic concerns, and the Southern Regional Policy Center will seek to provide strong leadership toward meeting this challenge.

Perhaps the greatest of these challenges is to include historically disadvantaged and dependent populations in this revitalization. Even if driven only by the simple calculus of self-interest, unavoidable demographic changes mean that historically significant white advantages will pale as the region becomes ever more dependent on previously dependent citizens who are destined to become the South's most numerous (and productive) workers. President Clinton says it best: "we don't have a person to waste."

The historically dependent populations must be expected and enabled to make significant contributions to the growth of median family and per capita incomes, and accordingly, this plan looks to them as genuine partners in the revitalization of the Southern economy.

Historically black colleges and universities (HBCUs) will be expected to become major partners in ensuring the economic emergence of these populations, by increasing policy research capacities and the effectiveness of curricula in preparing our region's graduates for meaningful and productive careers.

The principals and staff of the SRPC intend to develop an effective regional institution that can serve as a long term source of high-quality, consistent, non-partisan information for state policy makers and practitioners. The model envisioned for SRPC's internal operation is based on the long-established traditions of professional schools, which stress involvement in community service and public affairs. A very key feature will be a research process that blends research scholarship provided by university faculty and the policy

savvy of experienced professionals, forming networks of academic researchers, interested public policy partners and client communities throughout the region.

A critical element of the SRPC's mission is to identify and develop new approaches and solutions to the challenges facing the region. Toward this end, the principals will invite local, state, regional and international organizations with an interest in influencing development policy to be part of the process of reinforcing the direction and importance of the Center's research agenda.

Among the first action steps will be to systematically create a research network of scholars from local & regional colleges and state universities. This beginnings of a "policy partner" network will increase and sustain the SRPC's ability to identify and quantify its research agenda, and to identify other "partners."

These potential partners are numerous, and include state and local governments, "think tanks," and non-profit organizations such as the Southern Growth Policies Board, MDC, Inc. and the Southern Rural Development Center, numerous foundations including the Mid-South Foundation, Southern corporations, and the thousands of local officials in communities around the region. A primary objective of the Southern Regional Policy Center is to cooperate and interact with these officials, and to provide information and assistance they put can put to good use in their policy planning and implementation.

The Center will be able to focus the immense research potential of this network in a way that heretofore has not been exploited. By coordinating, stimulating and combining the efforts of researchers throughout the region, what is now a collection of widely-dispersed, narrowly focused, and at times redundant research projects will flourish under the umbrella of the Southern Regional Policy Center.

The unique backgrounds, research goals, and established peer networks of the principals will be put to immediate and direct use in erecting this umbrella. Utilizing and building upon the skills and experience of the principals, the core staff and the network of scholars (the beginnings of which already exists within the contacts of the principals), the Center will carry out a large and ambitious "research agenda" focusing on the Foundation Factors that are presented fully in *Southern Regional Policy Center: Action Plan*.

The research agenda of the Center has been formulated from the combined expertise and interests of the principals, which includes service in state and local government, academic research, public policy development, advocacy, and consulting across a broad spectrum of issues that effect the South. Under this plan, the principals will organize their projects on a regional basis with direct

access to and support from networks of potential research colleagues, policy partners, and public policy clients.

The third cornerstone of the Center's plan is the development of a network of client communities from around the region. This will include state and local governments and community-based organizations, who will be involved in the Center's program development in order to:

- take advantage of their practical experience to understand regional economies and identify knowledge gaps
- stimulate demand for information, and
- encourage new and innovative policy designs and programs - in an environment in which these decision-makers are able to reflect on experience and share information with others.

The Center will link its networks, disseminate its findings, and get valuable feedback by establishing electronic policy bulletin boards, sponsoring regional seminars, symposia, and forums.

SRPC will commit itself to an active publishing schedule with products tailored to intended audiences, including annual reports, periodic newsletters, research reports, and occasional policy monographs. The possibility of endorsing and soliciting important manuscripts for an independently edited series of policy books and monographs will also be explored with a publisher.

The principals are committed to making the Southern Regional Policy Center a pre-eminent force in the revitalization of the region's prosperity, and are certain that all groups of people in the South (including many previously dependent populations) will ultimately benefit from more effective policy research, design and implementation.

Each of these groups will be called upon to contribute to this revamping of the economic structure of the region. As a result of their contributions to regional development, productivity will increase, payrolls will rise, tax revenues and public services will expand, and the entire South may yet enjoy levels of prosperity and growth commensurate with the talent and resources of the region.

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## SOUTHERN REGIONAL POLICY CENTER: AN ACTION PLAN

### THE SOUTHERN LEGACY: *The Challenges*

#### *Uneven Economic Development*

In the 1960s and 1970s the rural South largely completed the transformation from a primarily agricultural to a predominantly industrial economy. The transition was painful and disruptive to people and communities, as surplus rural labor not absorbed by the industrialization of the rural South either left the region or (later in the decade) left for the South's growing metropolitan areas. Still, the industrialization of the South boosted average incomes and generally improved life as measured by standard social indicators.

When measured solely by numbers of jobs, the South's economy has performed very well over the last decade. While performance has been uneven across the Southern states, much of the South's economy has in recent decades out performed the nation as a whole. Pockets of severe poverty and underdevelopment have remained, but there is little argument that the decades of the 1960s and 1970s were on the whole beneficial for Southern economies.

Most of this growth occurred as the South attracted investment from other regions of the nation to build factories, expand cities and provide jobs. The Southern states exploited the remnants of their agricultural heritage - cheap land and still cheaper, willing labor. Generally, this self-exploitation spurred a form of economic growth that was accomplished by suspending the pursuit of other long-run developmental factors - high-wage skilled jobs, basic infrastructure, environmental and workplace regulation, protection of labor and promotion of advanced workplace skills.

The low technology and low skill demands of past development placed little premium on the kinds of factors that will be essential in the ensuing decades. Southern policy leaders in the 1950s, 1960s, and 1970s aggressively pursued economic development policies that produced real and relatively rapid returns. These policies, by and large, failed to build the important foundations for long term economic stability and success. Even when these approaches began to be challenged by members of the policy research community, their arguments had little impact on policy thinking and even less on policy action.

Some notable successes occurred, as higher technology and higher skill industry began to invest in the South's metropolitan areas. The Research Triangle Park, Charlotte, and Atlanta are leading examples of how the presence of excellent higher education and related investment in research and development have dramatically transformed sub-state urban regions. However, growth effects did not spread much beyond these hospitable precincts to create

*Fragile Coalitions*

prosperity region wide. Rather they created new edge cities of urban prosperity alongside the rural pockets of poverty, both connected by a thin tissue of development that alone was incapable of transmitting prosperity to neighboring communities and regions.

Over the last two decades an infusion of new ideas, new institutions, and new leadership has created a progressive constituency intent on building a broad-based prosperity in the region. That constituency built new political coalitions that crossed racial boundaries, crossed class boundaries, and sometimes crossed party label boundaries. And, it insisted, that while urban areas might be the engine of growth in the South, that growth should, to the maximum extent possible, be transmitted outward to the non-urban areas in the region. It also insisted that traditionally excluded or occasionally insular populations be included in the growing prosperity.

This coalition was partially made possible by the presence of a growing economic pie. The central question was how growth would be shared; discussions of equity, while sometimes contentious, reflected a generally shared consensus that an increasing flow of benefits could be distributed so that all would eventually be better off.

The erosion of the economic underpinnings that began in the 1980s threatens to shatter that consensus. The economic stress caused by a combination of long term restructuring and cyclical recession has threatened the belief in a prosperous future. Battered by economic changes they were unprepared for, and lacking confidence in the ability to adapt, the belief in a better future threatens to be replaced by fear and uncertainty. Rather than dividing up a growing pie, much of the South's workforce is worrying about how to protect their slender piece of a shrinking pie. In this environment, political programs and policies that appeal to fears and divisiveness can find fertile ground.

Frustration over entrenched poverty and low wages, a growing disparity between upper and lower income, and steady erosion of the manufacturing base that fueled much of the earlier opportunity for low-skilled workers have provided sparks to kindle unrest. The rough consensus around development directions and policies that characterized the last decade threatens to divide the region into polarized factions between the haves and have-nots. In that atmosphere the consensus that needs to be built to harness the energy of Southern institutions will be difficult to achieve.

A two-fold challenge thus faces Southern leaders: to build a clear, forward-looking foundation for future growth and stability, and to do so in a way that unites, rather than fragments, the region's diverse

**LAYING A NEW  
FOUNDATION:  
Key Foundation  
Factors and the Role  
of Past Investment in  
the Region's Systems  
of Higher Education**

constituencies. The dilemma is how to do that in a time following the decade-plus period when the federal government withdrew resources steadily from their partnership with the state & local governments and must now manage an historically unprecedented fiscal deficit; when state coffers are empty and voters are not in the mood for tax increases; and when the private sector is undergoing its own restructuring in response to fierce global competition.

In order to make the best of the challenges it faces, the South as a region must identify and develop the key foundation factors that will provide the basis for a viable future economy, forge effective networks that will draw upon the strengths of loose historical coalitions, and empower decision-makers to turn policy research into effective policy action.

It is axiomatic among researchers and leading policy thinkers that the South's successful development in the coming decades will depend upon the presence of key factors that will provide the foundation for future economic development. These factors will not be identical to those that fostered development in the past, but will instead reflect the need for concentration in the following areas:

*Dependency Reversals.* Changing demographics will necessitate greater attention to the unique problems faced by groups entering the workforce in more significant numbers, and by those who are likely to face particularly difficult transitions as a result of the changing economy. In addition, it will be necessary to develop and evaluate the strategies for investment in social services (such as welfare and education) needed to foster the workforce's effectiveness.

*Regional Colleges and Economic Development.* In addition to providing an educated and skilled labor force, regional colleges will need to design instructional and outreach services to support local economies, build better relationships with regional business (especially smaller firms), and balance local, regional and national interests.

*Industrial Modernization.* Locally-owned small manufacturers represent the stable, long-term industrial base of the South. Such "foundation firms" are often overlooked, and their contribution to regional economies is not fully appreciated or fostered by appropriate public policies.

*Economic Infrastructure.* It has long been recognized that major investments are needed in physical infrastructure, as well as in human and financial resources in order to create a strong economy. Hard choices are posed for the future, including which types of

investments must take priority, mechanisms for financing (e.g., public-private partnerships), and locus of control (e.g., national and regional banking arrangements).

*Urban and Regional Growth Systems.* Southern states have often pursued separate "urban" and "rural" policies without adequate consideration of the interdependent effects of such policies on a more regional basis, and without assessment of specific factors that may alter the effectiveness of such policies if applied in particular locales.

*Governance and Policy Capacity.* State and local policymakers face ever more difficult and complex problems in an environment characterized by public skepticism, a less effective federal presence, and a shortage of funds. It is therefore critical to assist local government leaders in building the leadership, communication and conflict management skills they need to confront these growing challenges. It is also crucial to provide access to concentrated research and pooled experience on critical recurring policy questions.

*Analytical and Policy Tools.* State and local policymakers will need tools that will allow them to evaluate the effectiveness of policies and programs at the state, regional and local level. Unfortunately, few such tools yet exist.

**THE  
SOUTHERN  
LEGACY:  
Opportunities**

In many respects the South's development policies of the last few decades have left the region unprepared to succeed in developing the foundation factors needed in a changing economic climate. However, one key past investment may well provide a means for meeting the resulting challenges - the South's strong systems of flagship and regional universities, technical and community colleges. A critical opportunity therefore exists to foster the development of needed foundation factors by harnessing the intellectual capital represented within these systems of higher education - in particular schools of public policy, schools of planning, other professional schools that bridge academy and community, technical assistance centers, and membership organizations of faculty.

In many respects, the South has a distinctive identity as a region. In part this distinction reflects the difficult history which saw the Southern states evolve a distinct economy based on slave labor, go to war with the rest of the states to preserve that economy, and persist in the minds of much of the nation as a difficult and somewhat backward stepchild. There are undoubtedly negative elements of this identity, including a strong provincialism, an instinctive distrust of ideas and cultures foreign to the region, and an attachment to

*Embryonic Regional  
Networks as Pathways  
to More Effective  
Policy Action*

preserving the destructive as well as the constructive elements of southern culture, politics and development.

On the other hand, strong positive results have also grown out of that culture, including a collective identity that transcends state borders and fosters a willingness to build institutions for cooperation that cross traditional political boundaries. As a result, the South has a wide variety of regional policy and membership organizations which enjoy considerable influence among selected groups of policymakers and practitioners.

It may be possible to increase the effectiveness of the South's response to future economic challenges by encouraging potential networks among local and regional policymakers, and strengthening ties among informal professional and academic networks in order to turn policy research into policy action.

Such networks could include clients (such as representatives of local governments who adopt public policy and implement programs), partners (such as statewide or regional organizations interested in influencing development policy but lacking in research capacity), and academics (such as those at diverse institutions of higher education throughout the South who have the capacity to perform needed research, but have lacked the close linkage with policymakers needed to ensure the relevance and responsiveness of that research to pressing policy concerns). Development of a more effective system of linkages within and among these networks would foster cost-effective identification of key policy issues, research that is responsive to policy needs, and dissemination of needed information in ways that would empower policymakers throughout the South.

**THE ROLE OF THE  
SOUTHERN  
REGIONAL POLICY  
CENTER**

*Objectives*

Building a lasting and sustainable economy based on the strengths and needs of the communities in the South will require the best work from the best minds in the region and elsewhere. To accomplish this transformation requires some prudent new investments as well as reevaluating and redirecting earlier investments. Southern policymakers must have the tools to make strategic investments, monitor their results, and react effectively to what works and what doesn't – while balancing future growth with environmental and quality-of-life issues.

The Southern Regional Policy Center will link important players and coalitions in the debate; focus policy attention on critical foundation factors; provide a hospitable forum for publicly visible and influential discussion; generate useful and relevant research, bring together policymakers, academic and practitioners and collaborative communities; and bridge traditional boundaries between diverse actors in the economic development community. With the help of the Center, Southern policymakers can in turn be assisted in:

- building a Southern economic base that can compete nationally and internationally, drawing on workers with greater skills and providing higher wage employment
- distributing benefits of an enhanced economic base broadly by linking urban and rural economies throughout the region, not just to those fortunate enough to live well in or near its metropolitan centers
- building the region's developmental infrastructure, including modernization of its industrial base
- adapting governance and fiscal structures to the new challenges
- creating human resource delivery systems and an information and transportation infrastructure suited for the new economy
- achieving better balance of economic development and environmental policies
- bringing economically and socially distressed people and places to the forefront of the development agenda.

The Center's three major functions are to:

- create the basis for the formation of new partnerships with communities, the private sector, and quasi-public organizations by linking and strengthening communication within and between the South's rich networks of universities, colleges, technical schools, nonprofit organizations, policy organizations, and technical assistance providers

- provide Southern policymakers with the best possible research findings and guidance concerning development policy and governance options, and to assist in turning this assistance into effective action with research forums, fact-finding projects, policy design seminars and coursework, and other useful programs designed to make successful developmental solutions available to those communities that need them.
- serve as a hub of research, cooperation, and information dissemination that draws on the educational resources of the region, which have so much invested in them, and increase the flow of policy relevant research from the Southern university system



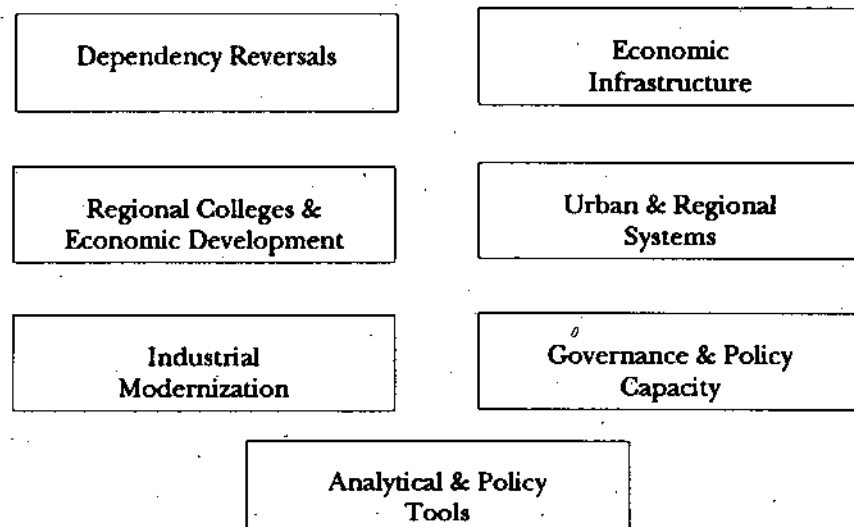
## THE RESEARCH AGENDA

The foundation factors shown below form the core of the policy center's agenda. In addition to being natural extensions of the principals' expertise and research interests, these foundation factors are believed to be central to the prospects for long term and widely shared economic development in the South over the next decade. Unless this foundation is shored up in certain key places, and completely reconstructed in others, the prospects for quality growth and development in the southern states are grim.

Clearly, there are many factors which will be important to the South, and for some there are other organizations fully prepared to make the necessary contributions without our direct involvement. Secondary education and literacy, for example, will continue to be critical issues as the southern states struggle to find funds to compensate for decades of neglect. (In many southern states, post secondary education was favored over secondary education by state legislatures.) In this and similar instances, we may offer assistance to other policy partners on matters of overlapping concern.

*Our* choices, therefore, reflect the importance of selected foundation factors for the southern economy, the inattention they receive relative to their importance, and the significant contributions during the three-year start-up that can be reasonably expected from the initial principals who form the core staff and affiliated associates of the policy center.

### Foundation Factors for Southern Development



**DEPENDENCY  
REVERSALS***Workforce Skills*

The participation of future workers, managers, taxpayers and leaders drawn from traditional racial and linguistic minorities will rise as their numbers continue growing relatively more rapidly. Future Southerners of all races may each find themselves as members of a linguistic plurality, perhaps a minority in many communities. The simple calculus of demographic change means that historically significant white advantages will literally pale as the region becomes ever more dependent on previously dependent populations destined to become the South's most numerous productive citizens and workers.

As enlightened self-interest begins to take root, the "social welfare" impasse that previously obstructed adoption of reasonable public policies continues steadily to dissolve. Business and political leaders have come to recognize how vitally dependent the region (or nation) is on a skilled workforce capable of propelling the economy during its most competitive period ever, and of generating the tax base necessary to support the large (and costly) retiring baby boom cohort. What might have once been viewed as a difficult short-run, tactical social issue has become a long-run, strategic economic development imperative.<sup>1</sup>

Careful attention will need to be given to understanding the unique problems faced by groups entering the workforce in more significant numbers, and by those who are likely to face particularly difficult transitions as a result of the changing economy. For example, the success of economic development in many areas may be a function of reversing dependencies related to gender. A large portion of single-parent families are headed by women, and such families account for disproportionate shares of child and female impoverishment. Changes in welfare policy such as recently considered in New Jersey may dramatically affect the participation of such women in the workforce.

*Micro-finance  
and Minority  
Businesses*

Several states are actively experimenting with micro-finance programs that target women and promote establishment of home-based firms. Early returns show promising results in Arkansas and North Carolina, but it remains unclear how these and similar programs affect family and child welfare. Members of minority groups may also be especially vulnerable to changing patterns of economic development. For example, many minority farmers in rural areas of North Carolina have been displaced from their land in recent years as a result of economic difficulties that could have been ameliorated had adequate legal advice been available. The North Carolina Central School of Law Land Loss Project was created to provide rural farmers with the technical assistance needed to ensure

*Persistent  
Dependencies*

that loss of farmland and displacement of farm families is minimized. Comparable steps might be taken in other areas.

Changes are also underway in the legal structures that have in the past affected employment opportunities available to members of minority groups, older workers and disabled individuals. Policymakers and employers appear to be rethinking mechanisms for achieving affirmative action goals articulated and embraced in the 1960s and 1970s. Even without formal changes in policy, minority workers face higher risks of displacement during hard economic times, when recently hired individuals are more readily laid off. Mandatory retirement requirements have been eliminated in many areas, at the same time that older workers find that established skills have become antiquated in a rapidly changing economy, and that economic pressures influence hiring and retention patterns.

New legislation, such as the Americans with Disabilities Act, has created legal imperatives for drawing disabled individuals into the workforce, but employers may be ill-equipped to make necessary accommodations. While the principle of non-discrimination has now been broadly articulated, that principle may not be enough to chart a course through times which threaten to alienate major segments of society, times of competition among diverse candidates for scarce jobs or economic opportunities. Additional thought is therefore needed about the legal mechanisms that can guide the transition through current circumstances toward the reversal in dependencies that will bring its own set of strains and challenges.

In addition to addressing the challenges posed by the changing demographics of the workforce, it will be necessary to develop and evaluate needed strategies for investment in social services to foster that workforce's effectiveness. Immediate concerns include the adequacy of health, nutrition and child care services. While these issues may be reintroduced in the presidential debates of 1992, and federal legislation may continue to take incremental steps to address these issues, the existing policy repertoire is very much in need of fine-tuning as individual state and communities experiment with new and novel approaches.<sup>2</sup>

*Elementary &  
Secondary  
Education*

But the most difficult policy arena and the one under most direct state and local control is elementary and secondary education. The adequacy, fairness and broad public concern about the financing of local public education has only begun to emerge, and this will continue to be of major importance (also discussed as a matter involving governance issues below). Many important issues are now coming together under the leadership of the UNC and NCCU Schools of Law. A Convocation titled "Serving Poor and Minority Children:

Crucial Educational Mission for the 1990s" was held on the UNC campus April 3 & 4, 1992 to examine these important issues. Dean Judith Wegner and others are also exploring the viability of an inter-university center on poverty law that could also include other schools of law, education and social work. We would expect to support this sister center and work closely together on several related matters of public policy.

On the critical matter of workforce and workplace preparedness, new education options and curricula are actively being experimented with throughout the region, many of which are underway in nearby institutions. To name only a few, the NC School of Mathematics and Science continues to demonstrate how the highest level of post-secondary preparedness can be attained, while model elementary, general high, and social science high schools are now in various stages of demonstration and design. These and other innovative curricula are actively being investigated by Schools of Education throughout the South, including newly funded public policy research capacities at the UNC School of Education.

Perhaps the most promising demonstration underway is being conducted under the title of "Tech Prep," a cooperative venture between high schools and local community colleges in several states that mutually agree to upgrade both curricula content, admissions and graduation standards, and the workplace relevance of a high-level, 13 or 14 year program of instruction (see related discussion of regional and community colleges as Foundation Factors, above). Early returns show impressive gains in high school retention, credits earned in rigorous courses, and numbers of applications (including SATs) to both community and senior colleges. This and other programs bear further study, particularly in their relation to other pertinent Foundation Factors.

**REGIONAL  
COLLEGES &  
ECONOMIC  
DEVELOPMENT**

Two- and four-year colleges, once viewed principally as institutions of higher education, are becoming increasingly active players in economic development. Despite stereotypical town-gown frictions, regional colleges are usually more attuned to the needs of workers and businesses in local and surrounding areas than universities. Historically, their major contribution to economic development was almost exclusively post-secondary education and training: insuring the provision of an educated and skilled labor force.

A study recently completed for a southern state revealed the extraordinary contribution of community colleges through the early 1980s to this mission, even after accounting for many other factors (including high school and college education), that stimulated subsequent growth of business payrolls. The UNC Institute for

Economic Development's study showed that development effects varied for *some* community college curricula in rural vs. urban counties and even reversed for some types of rural (MSA adjacent vs. remote) counties.

More recently, many of these institutions have taken on expanded missions, adding technology transfer offices, incubators, and technical assistance. A 1986 study for the Appalachian Regional Commission emphasized roles in diffusing technology to business. In 1988, a demonstration project of the Southern Technology Council began to expand the roles of technical colleges into technology extension and demonstration stations.

Regional colleges are also turning their attention and resources to pursue regional economic development, and in many ways are better positioned than major universities to implement direct economic development strategies. Like community colleges, they place less emphasis on publications as measures of success, and more emphasis on addressing local needs. Teaching and academic programs are thought more likely to match local economic needs. Regional colleges are doubly handicapped, however, by a faculty less experienced with research, and therefore, they suffer the consequent inability to attract research funds for economic studies. At the same time, their heavy teaching loads restrict rapid responses offered by consultants or other competitive providers of technical assistance. Historically, black colleges experience these and additional burdens, but are especially important to the South and *could* become key players in local development.

There is still much to be learned about how to design instructional and outreach services in regional and technical colleges to support local economies, how to balance between local, regional, and national interests, and how to build better relationships with regional businesses, especially with these smaller firms.

#### INDUSTRIAL MODERNIZATION

One of these important factors in regional economies is the foundation firm, the locally-owned and usually small manufacturer that supplies the components and parts to OEMs or fills specialized niche markets. These firms represent the stable, long-term industrial base of the South. There are more than 80,000 plants of fewer than 500 employees in the South, and they are disproportionately located outside of large cities. Yet public policy has almost entirely overlooked them, choosing to focus resources on corporate recruitment and entrepreneurship.

The needs of foundation firms are not met or often even acknowledged. A recent report by the Congress' Office of Technology Assessment found that fewer than two percent were

*Production and  
Supply Networks*

served by existing technology extension programs. The state of North Carolina, with 11,000 small manufacturers, has 223 county extension agents for agriculture (and 227 more for home economics) but only 19 industrial extension agents. Federally funded small business centers rarely work with manufacturers.

This presents a unique opportunity for researching the needs of the foundation firms, their economic potential, and appropriate policies to facilitate growth.

Two policies derived from the European experience are intensified inter-firm connections and industrial districts. The first implies changing the business culture along the lines of Europe's much-studied "Mediterranean, or 3rd Italy, Model" to encourage more collaboration in order to achieve economies of scale and market strength. But Europe also hosts the "Central-Scandinavian Model" that instead stresses efficient networks of large buyers and smaller certified suppliers much like those organized in Japan.

One study of Eastern North Carolina, conducted for the NC Rural Economic Development Center, showed an enormous potential for small, intentionally undercapitalized and technologically hesitant firms to become key suppliers to large firms that now source four-fifths of their inputs from outside of North Carolina. UNC's Institute of Economic Development found that much more of this sourcing from world-wide suppliers could be retained within the region, from world-wide suppliers who can meet the certification requirements of OEM and other large producers. The possibility of establishing regional certification and upgrading standards for key industry and technology clusters deserves greater attention from several cooperating states.

A second study implies concentrating industries to develop a critical mass that can support R&D, innovation, and support services. Concentration suggests sector-specific information and technology hubs. Based on the sour experience with 19th and 20th century company towns throughout the South, policy makers have instead assumed that sectoral diversification is a safer way to develop small cities. Experiments on inter-firm relationships among spatially proximate firms are underway but have not been studied or assessed. Little documentation and no rigorous evaluation has taken place. Industrial districts and the effects of industrial agglomeration have been studied in Europe and elsewhere but not in the U.S. South.

**ECONOMIC  
INFRASTRUCTURE**

Considerable sums of money from private, state and local sources continue to build the *physical infrastructure*, e.g., transportation, communication and utilities, and to deepen our pool of *human and*

*financial resources*, e.g., education, health care, child and family services, microenterprise finance, etc. that undergird the South's economic development. In the competition for funds in each of these areas, priorities among types of investment are too frequently reached without adequate consideration of overall policy effects, particularly benefit spillovers across areas, future program flexibility, alternative methods of provision, payback periods and so forth.

North Carolina, for example, is considering investing in a high-tech cargo airport with very little direct evidence to suggest whether or how it might succeed. This option is partially based on a heavily funded program to upgrade the state's highway system, a decision that immediately preceded a rolling series of deep cuts imposed on the state's community college and university systems. Despite the large sums involved and the possible effects on economic development, none of these measures was adequately studied for its public policy effects. There remains much work to be done to establish policies that assure maximum effects from available resources.

Resources have been spent in two Southern states, where highway access and education have been examined to assess their probable effects on local economic development, but only Governor Clinton has directly applied the findings to his policy making decisions. Findings that reveal the economic development effects of many policy options available to state and local officials in North Carolina are just now being disseminated, but the diffusion of this information lacks the coverage and visibility that SRPC might have provided.

Although the more certain and reliable findings concerning possible investments in economic infrastructure certainly deserve wider attention (education, entrepreneurship, and capital investment in manufacturing were powerful motors behind county payroll growth), other provocative but less definitive results point the way to future policy research. Among the more interesting possibilities to emerge were: child care, natural gas service, scheduled air service (and general aviation airports), telecommunications services and community colleges.

To these important considerations we must add others concerning the access to and adequacy of finance capital. Adequate amounts of financial capital in the right forms for financing entrepreneurship and industrial modernization is an important component of economic infrastructure. The southern banking structure has undergone a radical reorganization over the last few years as regional compacts have permitted and encouraged interstate banking and the emergence of superbanks. One, Nationsbank, has become one of the largest banks in the country.

**URBAN &  
REGIONAL  
SYSTEMS**

This wave of consolidations has spurred reorganization of banking functions in the industry, shifting greater decision-making authority to central urban centers. This transition in turn has led to smaller borrowers and higher risk lending, and to a decline in commercial lending interest and expertise in smaller communities. Accordingly, several southern states are actively experimenting with alternative financing structures, including private/public venture capital funds, microenterprise funds, and higher risk "mezzanine" capital funds. While these innovations are exciting and offer much promise, there has been no consistent effort to evaluate their relative performance or to measure their impact on economic development in broader regional contexts.

These, the South's development dynamics, flow essentially and increasingly from metropolitan areas, yet this potential is infrequently tapped due to sectional differences in state legislatures and local competition among neighboring jurisdictions. These divisions are then further deepened when "urban" or "rural" policies are proposed with the intention of affecting only one portion of a larger region. However, policies intended to boost the internal fortunes of some places invariably have *interdependent* effects upon near neighbors, since political jurisdictions are little more than open economic units across which development possibilities flow unforeseen and with unintended consequences.

Knowing how policies invoked in one corner of a region may affect other parts of the region allows careful targeting and wise mixing of different policy options. The case for regional compacts, agreements, and cooperation has been made so frequently in the abstract, and without the backing of evidence, that region-wide development proposals are now dismissed prematurely even in cases where highly desirable arrangements can be demonstrated.

Some policies will have wholly different effects in different southern states. For example, in the more industrially advanced states, the beneficial relocation of late product cycle firms from expensive MSA locations to rural sites in the same region would free costly sites for urban-dependent sectors and extend the period of productive activity in vulnerable sectors. Better regional linkages also support the design and operation of realistic mass transportation systems that connect concentrated centers of work and residence, while also promoting the establishment of employer-supported housing and child-care programs.



**GOVERNANCE &  
POLICY CAPACITY**

The public has become increasingly skeptical of the ability of government at all levels to solve problems. Bureaucrat and politician have become pejorative terms. Believing that massive programs and large bureaucracies have proven incapable of addressing significant issues, voters are unwilling to raise taxes to fund new initiatives. State and local governments in many cases face structural deficits, where the anticipated growth in revenues will be outstripped by the growth in mandated services. Particularly in economically distressed parts of the South, towns and counties have little or no discretionary revenues to invest in development. Thus, state and local policy makers find themselves in an often hostile environment. Many state and local governments are also finding that current fiscal systems are totally inadequate in the face of a changing economy and growing demands for services. Budget deficits, a slowing economy, tax resistance - all place severe limits on resources.

*Building Skills*

A critical step in addressing these problems is to assist local government leaders in building the skills they need to confront these growing challenges. Capacity-building efforts could include more concerted work with local officials, to assisting them in developing leadership, communication, and conflict management skills. Academic programs for training professionals in the areas of law, planning, public administration, education, public health and social work contain many elements that could be tailored to the needs of elected and appointed government decision-makers who have not had formal training in such subjects. Training workshops could be especially effective if local government officials were themselves involved in peer education efforts and simulation exercises that model real-life problems. An effort to begin such peer training in the area of conflict management has recently been initiated by local government officials, through collaborative efforts of the UNC School of Law, a local dispute settlement center and elected officials. A variety of other capacity-building efforts can readily be envisioned.

*Funding Equity*

The effectiveness of government officials in the southern states can also be increased through concentrated research and pooling of experience on critical policy questions such as those relating to school finance and consolidation. Several states have court suits underway, or threatened, that would mandate "equalization" of funding for poorer, typically rural systems. While several remedies have been fashioned, none has yet fully met judicial requirements of equity, and none has adequately solved the problem of finding funds. Southern states are facing the need to raise hundreds of millions of dollars over the next few years in order to respond to mandated increases in per capita funding of rural school systems. Closely related is the difficult area of school consolidation. The proliferation of small,

community-based school districts in many southern states complicates efforts to achieve funding equity and improve educational performance of schools and students. School district consolidation, however, is another issue that generates heated debate but yields limited information about choices concerning system size, educational benefits, and costs of education.

#### *New Methods*

Careful attention must also be given to other sorts of financial issues. Legislatures and the public are beginning to demand greater accountability, requiring monitoring and performance systems that measure actual policy results, not just the level of activity. If the southern region (and particularly non-metropolitan areas) is to prosper, significant new investments will be needed in the coming decades. Effective policy making will require new methods of governance, new partnerships and a revised fiscal system. Without these changes, state governments could well face the same type of paralysis that seems to have affected the federal government.

In response to this realization, state and local governments are beginning to explore, and in some cases to experiment with, new forms of service delivery, new partnerships with the private and nonprofit sectors, reorganization of traditional bureaucracies into more flexible, customer driven systems, organization of services into integrated systems rather than individual programs, and using the market where possible to deliver needed goods and services rather than new public institutions.

In the specific area of economic development, the growing need to raise the overall level of competitiveness of existing industry and increase entrepreneurial activity will require extensive revamping of the economic development financing and service delivery systems the states have developed over the last decade. The current fragmented, isolated and sometimes under funded programs must be reorganized into an integrated system that focuses on the major problems, achieves adequate scale to affect tens of thousands of firms, uses the market to provide necessary services, and has a strong and well-defined accountability component. While there are some promising models, there is no clear guidance to state governments on how to achieve these objectives. Policy research, demonstrations, and the development of new models are important goals.

Faced with such complex challenges, it is not surprising that governance structures themselves may need to be reevaluated. For example, the range of authority provided cities and towns under existing statutes may need to be revamped to address the changing issues facing local governments. Approaches to resolving public disputes could expand to include mediation or other forms of conflict

resolution. Better institutional structures may be needed to address problems that cross jurisdictional lines, such as watershed regulation, coordination of service provision and facility siting. Legal strictures governing public-private partnerships may also need to be reconsidered in light of the growing complexity of potential joint-ventures and the possible conflicts between cities' governance and entrepreneurial roles. Similarly, care will be needed to forge appropriate mechanisms for delivery of public services through private institutions (for example, by means of vouchers) or privatization of public services.

*Issues raised by the new governance:*

- use of vouchers and other systems to use private institutions to deliver public services
- privatization of certain services; performance monitoring
- revised personnel and performance evaluation systems
- downsizing and reorganization of governmental institutions.

**ANALYTICAL &  
POLICY TOOLS**

State and local policy-makers and practitioners are increasingly concerned with issues of measuring the performance of state and sub-state economies, programs, and the impacts of policies in regions with different characteristics. As legislatures and constituents demand proof that programs work, as states recognize the need to customize policies to meet the needs of very different regional and urban economies, and as states seek tools that can be adapted by local and regional actors, the demand for analytical and policy tools will increase.

Unfortunately, few such tools exist. Several states have begun to experiment with methods to "benchmark" state and local economies to measure progress over time (e.g., Oregon has introduced such a system). Other state and local governments have designed proto-typical performance measurement systems that focus more on outcomes than the operations of a particular program. Several models exist in experimental form to examine sub-state impacts of statewide policy decisions. State and local policy makers are still searching, however, to develop an array of practical, workable analytical tools and measurement systems.

To this end, one of the Center's primary functions will be to assemble those ideas which are working and instigate the development of new and innovative ideas that will be readily accessible and usable to Southern leaders and lay-folk alike.

**POLICY ACTION:  
BUILDING AND EMPOWERING  
RESEARCH, POLICY AND CLIENT  
COMMUNITIES**

There are a variety of networks or communities of institutions and individuals who approach economic development issues from different perspectives, including, but not limited to:

- university based researchers
- state legislators
- local elected officials
- local professionals, such as managers, economic developers, and planners
- community based organizations
- university based technical assistance centers and several others.

Many have state, regional or nationally based membership organizations. This disparate set of actors provides a rich resource, but they also complicate efforts to build a unified vision for the long term development of the South. In order for state policy to play a significant role in the development of the region, state policies and programs must also be incorporated in local practice.

Many fundamental decisions that influence economic development in Southern states are made at the city and county level. It is at this level that enhanced intellectual capacity is particularly important to focus resources on the new economic foundation factors. Unless local *and* state policies and practices are harmoniously developed, resources are squandered as investments pull institutions in different directions and conflicting signals are sent to the private sector. Building partnerships is problematic in that environment.

In the course of the design analysis, the team interviewed (directly or by telephone) and surveyed representatives of these communities to better understand their current capacity, including:

- what networks actually existed
- major issues on their agenda, and
- current uses and attitudes toward university research as a tool for policies and programs.

Since several Southern foundations have historically taken an active role in redirecting development policies and actions, we also briefly examined foundation resources in the Southern states.

**CLIENT AND  
PARTNER  
COMMUNITY**

In order to better understand these diverse communities, and what role the proposed center could play in strengthening their ability to define and implement appropriate policies, the design team spoke with dozens of actors (see Appendix, pages 3-6). We generally divided them into three major subcategories.

*Partners* are statewide or regional organizations with a declared (or de facto) interest in influencing development policy. They may or may not have internal research capacity but they clearly have the ability to use research results to shape agendas. The southern states seem particularly strong in these regional organizations. They include the Southern Growth Policies Board, MDC Inc., the Southern Regional Council, the Mid-South Foundation, the Southern Rural Development Center, and numerous others.

*Clients* are the end users who turn research and proposals into active public policies, public and private actions, and working programs. These may include policy partners, but most numerous are other public and private sector institutions: banks, utilities, legislators, executive agencies, county commissioners, economic development planners, community based nonprofit organizations, and many others. Because of the large number of potential clients, the design team thought of each grouping as "universes" or "communities" that were organized or could be organized into networks around particular issues or interests. By using the resources of these existing networks, the reach of the center could be extended without attempting to serve thousands of clients one-on-one.

All states have chapters of municipal and county officials; most states have associations of economic development officials and planners as well. These membership organizations routinely focus their efforts on professional support services. Included are newsletters, conferences, workshops and some lobbying activities. Local government associations also provide information and data services, reports on current issues of concern and training and certification programs. Staff support is limited and generally directed to lobbying and membership support services.

The *policy research* community includes individual faculty and various research centers. *Research centers* are entities affiliated with the university that attempt to apply faculty expertise to the broader community. There are 175 "research centers" of one fashion or another in the 13-state South. These variously list as their principal activities business development, rural development, technology development and transfer, public policy and government, and related areas. They are typically associated with a college or university but there are a fair number of independent, non-profit research centers.

Those surveyed usually limited their activities to clients or specific issues within a limited sub-state geographic region.

Typical clients were limited to business and local government; policy makers were mentioned as a potential but not an active audience. Reflecting the clientele, activities were usually case studies, field studies, direct technical assistance, and training or advisory services. Budgets ranged from \$150,000 to several million dollars. None could clearly articulate a particular economic development mission or agenda; their services were based principally on faculty interest and expertise and client demand.

Dozens of conversations during the course of the design analysis have confirmed that there is a strong base of partners and clients and incipient networks which the proposed center can tap. These conversations have also confirmed that university based policy research currently plays a comparatively minimal role in the ongoing debate around development policy in the southern states.

*Underutilized  
Role of Research  
in Shaping Policy  
and Practice*

There are exceptions where individuals have emerged as significant voices speaking on behalf of particular projects or narrow policy areas (e.g., Dr. John Kasarda on the potential development impact of an air facility dedicated to cargo and rapid turnaround of component parts) or university departments with strong research and teaching associations with state and local policymakers (e.g., UNC City and Regional Planning faculty), but there are no broadly systematic or even frequent efforts to employ the resources of southern universities to shape policies and practices.

Most policy member associations reported frequent contact with university faculty. These relationships typically focused on securing speakers, student recruitment, internships, or (in the case of community colleges) developing worker training programs for industry. There was little or no discussion around policy issues, application of faculty expertise to policy or practice, or application of research in designing or evaluating programs and policies. Several respondents noted that typical university research is seldom relevant or readily accessible to policymakers, or that specific faculty members cannot always respond in a timely fashion to short-term requests for research and evaluation. These concerns are explicitly addressed by SRPC's Policy Research Model (see page 25).

Among potential partnering organizations, there was a high degree of interest in the possibility for increased production of policy relevant research. While several organizations interviewed were excited about the potential, none currently had ongoing relationships with universities. There was also strong skepticism about the

possibility of producing policy research within the traditional setting of a university .

One prestigious state policy organization that conducts "advocacy" policy work (see Panel 4, Table I) and is widely respected by legislators for its plainly stated views, stated flatly that research produced by typical academics (Panel 1, Table I) is unintelligible and thus not useful to policy makers. While half of the membership organizations interviewed said members of their associations worked frequently with universities, none of the organizations currently rely upon university-based research to meet member needs or develop policy positions.

University-based research centers charged with an outreach function fared better overall. There were often strong individual relationships between particular university researchers and specific clients, but there was no mechanism for promoting routine cooperation among research centers and the potential client base.

There was also no common involvement in identifying critical issues or agendas. Membership organizations could usually enumerate the pressing issues facing their members, but they could not express these in terms of research needs; accordingly, research centers could not readily or independently identify specific policy agenda relevant to their clientele. In consequence, research products were principally dependent on staff interest and available project funding where the funding agency often sets the research agenda.

**UNITING POLICY  
RESEARCH AND  
POLICY ACTION**

As outlined earlier in the introduction, the elements exist to "leverage" the investment Southern states have made in the university systems, link those through the communities of policy makers and practitioners and generate a powerful force for building a new economic development infrastructure in the South. The task will not be accomplished in the absence of SRPC, however. Attitudes toward the utility of previous research in general, and academic research in particular, that range from bemusement to hostility must be met head-on with high quality, policy-relevant research. Linking these disparate communities will require substantial attitude adjustment on all sides, a task made easier by building on existing networks.

This is best accomplished by first focusing on the emerging community of researchers and scholars in the South who do have strong policy interests and have, in several cases, penetrated the community of policy makers and practitioners. Through their professional contacts and work in the Southeast over the last decade or more, the design team has built its own network of researchers, policy thinkers, scholars, development officials and key corporate leaders.

The proposed cadre of scholars would first draw upon these "policy sensitive" researchers as a base upon which to build a significant mass of useful research in the key issue areas identified in the following pages.<sup>3</sup> Finally, it is essential SRPC's design for a suitable policy research capacity draw on the best features of a university environment yet remain embedded within the regional policy community and its connecting networks. The following section lays this out in some detail and helps distinguish the widely varying meanings of "policy research" to show what SRPC's principal contribution will be.

#### THE SRPC's RESEARCH MODEL

Generic problems of quality control and the relevance of policy research will be addressed by the SRPC, particularly as it fits within the existing university and policy communities that already conduct some form of "policy research" (see Table I for full range of research approaches). A major factor in good research hinges on a so-called "Double Helix" of policy effects; this consists of intertwined policy hypotheses that require evidence about: *A. policy outputs vs. B. policy outcomes.*

(A) It may be the case that alternative program activities actually deliver a desired *policy output* with widely varying degrees of effectiveness. For example, is a given amount of capital investment [the policy output] more likely to arise in rural counties if a program of business recruitment is conducted rather than an alternative program that induces local entrepreneurs to invest in new businesses? Which is more efficient? Fair? Quicker?

(B) Once a given level of policy output is delivered, *does* it trigger the policy outcomes sought? That is, does the output actually produce benefits or reduce the harms it expects to effect? Continuing the earlier example, can a given amount of invested capital—from recruited firms or entrepreneurs—actually be shown to stimulate new economic growth in places where investment occurs? And what if several similar or related policy outputs claim same effect as the basis for continued funding? How to attribute the intended (or claimed) effects to one proximate policy output but not to others? This issue is extremely important where state and local audits are assessing outcome performance claimed by several competing agencies funded with increasingly scarce public appropriations.



TABLE I. STYLES AND VARIANTS OF POLICY RESEARCH AND STUDIES

Policy Research Approach	Panel 1	Panel 2	Panel 3	Panel 4	Panel 5	Panel 6
	ACADEMIC DISCIPLINES	MULTIDISCIPLINARY COMPARATIVE RESEARCH	POLICY RESEARCH	CONSULTANTS TECH. ASSISTANCE MEMBER SERVICE ORGANIZATIONS	ADVOCATE AGENTS	ACTION AGENTS
Examples	Examples Departments of POLI SCI ECONOMICS SOCIOLOGY ANTHROP'LGY ENGINEERING BUSINESS AG CON(NSF)	NATIONAL RURAL STUDIES COMMITTEE  NATIONAL RESEARCH COUNCIL  INTERDISCIPLINARY UNIVERSITY PROGRAMS	NW POLICY CENTER  CALIFORNIA POLICY SEMINAR  <b><u>SOUTHERN POLICY RESEARCH CENTER</u></b>	MDC  SOUTHERN RURAL DEVELOPMENT CENTER  SOUTHERN GROWTH POLICIES BOARD	SOUTHERN REGIONAL COUNCIL  SOUTHERN REGIONAL EDUCATION BOARD  N.C. PUBLIC POLICY CENTER	HIGHLANDER CENTER  SOUTHERN POVERTY LAW CENTER  INSTITUTE FOR SOUTHERN STUDIES
Research (Policy) Objectives	ELABORATE, REFUTE, CONFIRM, TEST HOW SPECIFIC THEORIES EXPLAIN WORLD	INTEGRATE RIVAL OR INTEGRATE COMPLEMENTARY THEORIES AND MODELS THAT EXPLAIN OR HELP PERCEIVE THE WORLD	EMPLOY GENERAL, APPLIED, REPLICABLE MODELS THAT INFLUENCE OUTCOME OF SPECIFIC ISSUES, PROBLEMS, CHOICES OR OPTIONS	PRESENT SPECIFIC DATA/INFO NECESSARY TO ASSIST ORGANIZED GROUPS TAKE MEASURES, INITIATE NEW PROGRAMS, IMPROVE POLICY AND MANAGEMENT PRACTICES	MEDIA-INTENSIVE ACCOUNTS BASED ON AVAILABLE STUDIES, DATA/INFO, AND CONTEMPLATED POLICIES TO HELP CLIENTS SECURE VISIBLE & OPENLY AGREED TO GOAL	STYLIZED ACCOUNTS OF INFO, NEWS OR FIRST-HAND ACCOUNTS THAT SPUR UNORGANIZED AND POTENTIAL CLIENTS INTO TAKING DIRECT ACTION
Research (Policy) Approaches	SCIENTIFIC METHOD, POSITIVIST, CULTURAL SCIENCES, EMPIRIC-THEORETIC RESEARCH DESIGNS	CROSS-PARADIGM, INTEGRATIVE, AND MULTI-DISCIPLINE RESEARCH DESIGNS	CONCEPTUAL MODELING OF POLICY CAUSES & EFFECTS TO EVALUATE AND TEST POLICY OPTIONS USING EMPIRICAL, CASE STUDY AND RELATED RESEARCH DESIGNS	PRIMARY DATA COLLECTION, DEPICTION, & PRESENTATION WITHIN CONVENTIONALLY ACCEPTED MODALITIES SPECIFIED BY FIELD OR CLIENT TO MEET ORGANIZATIONAL GOAL OR TASK	SYNTHESIS OF READILY AVAILABLE, PUBLISHED INFO/ FUGITIVE DATA REQUIRING MODEST OR NO FURTHER ANALYSIS BUT HEAVY EMPHASIS ON WRITING CONVINCING ACCOUNTS	IDENTIFY, COLLECT, SIMPLIFY & PRESENT ONE OR FEW FACTS, OTHER USEFUL EVIDENCE SUFFICIENT TO GALVANIZE PUBLIC ATTENTION ON DISTRIBUTIVE OR FAIRNESS ISSUES.

Policy research is a purpose-driven form of fact finding that seeks useful policy answers of these types of important societal problems, and it is frequently conducted with many of the systematic tools of scholarship that ensure replicability by others who might question the results (panel 3 of Table I). This is quite important to elected officials at state and local levels and to professional policymakers who are held accountable by the public at large. Accordingly, it differs rather markedly from the "policy studies" conducted for a particular segment or narrow interests (panels 4, 5 & 6 of Table I).

The type of policy research SRPC will pursue tries to carefully identify how policies might produce novel or previously unattainable outputs thought to be instrumentally important (type "A" above), while also disentangling all the factors that lead to observed outcomes, only some of which may actually be induced by policy (type "B" above). This usually require technically sound and innovative research designs specifically prepared to answer difficult policy problems.

For policy problem types A and B, there are well-established research protocols that substantially improve the prospects of answering each type of question. These are widely known and used in research universities and by trained researchers in institutes that investigate scientific questions, test hypotheses and build basic theory. This research (panel 1, Table I) is often conducted wholly within a discipline and results published only within its journals or read at its principal conferences.

There is also increasing evidence of interdisciplinary or multi-disciplinary research that spans a broader range of questions, some quite applied and of potential use to policy making. The National Rural Studies Committee is an excellent example of how numerous disciplines and perspectives can be brought to bear in understanding rural questions.<sup>4</sup> Here, the integrating focus tends to be theoretically driven — although policy inferences can be drawn — and the main objective is to formulate generalizable propositions about how the "rural" world works. Panel 2 of Table I summarizes the interdisciplinary approach taken by the other traditional university research community.

The research framework adopted by SRPC is summarized in the third panel. It resembles both the NorthWest Policy Center and the California Policy Seminar in some respects, but differs from them as well in details that reflect the uniqueness of the South. A day-long workshop held in Chapel Hill — summarized in appended supplements — allowed direct discussion of possibilities and numerous follow-up conversations with officials at the Northwest Policy Center (University of Washington)<sup>5</sup> and California Policy Seminar (University of California at Berkeley) helped frame SRPC's

overall design. Despite these regionally significant differences, all three occupy the unique niche formed on the one hand by their university surroundings and research traditions, and on the other hand by narrower client based organizations that stress consultancy, advocacy and direct action in fields of policy.

As summarized on the third panel of Table I, SRPC's niche allows application of the most powerful research designs and analytic techniques (approaches) to specific policy issues in efforts to improve the success and relevance of actions taken in policy arenas (objectives). Taken together, research conducted by scholars in the first three panels is built upon a formidable set of tools, tests, measures and procedures that are capable of investigating complex policy issues that do not easily succumb to the organizational management and technical assistance approaches typically employed by consultants, or to the exhortatory calls for mobilization issued by agents of advocacy and action (panels 4,5 & 6 of Table I).

The latter groups perform several other types of tasks that might be called research, but they tend to be so highly responsive to the specialized needs and interests of narrower clients and constituencies that policymakers who rely on such research findings risk charges of "special interest" bias when held accountable by their electorates or appointing bodies. These groups are, however, valuable policy partners since their particular knowledge of their clients' behavior, interests and attitudes toward proposed change is invaluable to the overall public policy research effort.

Of equal importance, but often overlooked, is the direct involvement of public officials and policymakers in the research itself. It is the rare elected official who understands the potential and limits of research on matters of public policy. Long experience with seat of the pants approaches, shorter — perhaps bitter — experience with poorly framed or presented research and consultation, and a necessary adherence to short-term election cycles and public accountability, incline many officials to adopt ineffective but familiar (sometimes popular) nostrums promoted by specialized interests.

Much of this difficulty can be allayed by the Center's intention to serve as the South's institutional memory concerning policy research; its success lies in compiling a record of sound evidence and findings that policymakers can rely (or build) upon when short-range problems require rapid response. And this record will allow researchers to avoid unintended replication of known policy findings and to build on that record to expand the body of useful knowledge.

**BREACHING THE BARRIERS**

We propose to conduct and actively promote policy research in accordance with the strongest and most fruitful designs, but to do so in the fashion of a open "policy seminar" where our clients also become our research collaborators. This does not mean that clients actually perform the day to day tasks associated with fact finding and analysis, but it does mean that clients are brought to understand where the deficiencies of available policy knowledge lie, why the proposed research design was selected to provide particular policy insights, how various types of evidence are collected and analyzed, and what inferences are possible given the approach selected.

Arriving at plausible "policy inferences" is, perhaps, the point at which trained researchers are no more able to make useful contributions than clients, but the latter will have no confidence in the inferences drawn without a working knowledge of why and how supporting findings were obtained. And as clients become accustomed to drawing policy inferences from research, they will become increasingly sophisticated users whose demand for well-specified, high-quality research can be expected to rise markedly.

This approach has been employed by the principals on selected projects and found to be very successful. It will be promoted in work conducted under SRPC's auspices and to others who do policy research in general. It will also alleviate what our research on the existing policy community showed to be true: that different mandates, misconceptions, narrow interpretations of missions, lack of a common language and different imperatives have created real barriers among the different communities in the South with a real interest in policy relevant research.

While the communities tend to be separate and mutually suspicious, the heartening findings are that a common interest in policy relevant research exists. All acknowledge the power of the potential resource; unfortunately, that power has heretofore been harnessed ineffectively and infrequently.

The center will be uniquely positioned to begin the process of breaching those barriers. The principals in the center all represent different primary communities, but themselves have been successful in bridging the barriers to produce policy relevant research that has had real impact on decision making at the state and regional level. This experience can be brought to bear in several ways, including:

- identifying and uniting the small but growing community of scholars with real policy interests and skills and providing a forum and dissemination process for their work

- bringing together the separate communities in forums and roundtables to identify pressing issues and problems in a commonly understood fashion
- providing an opportunity for fellows and graduate students to exercise their interests in policy research
- demonstrating the role sound research can play in forming good policies through its own activities
- serving as a bridge and a translator between the different communities, identifying key barriers and developing methods to bridge them.

## ACTION AGENDA

### *GEARING UP IN YEAR ONE*

#### *Governance & Administration*

The Southern Regional Policy Center's workplan initially focuses on three areas of development:

- establishing networks and relationships with clients, researchers, and partnering organizations
- establishing operating, administrative and funding procedures;
- setting policy research agendas, and identifying internal and external research projects in one or more of the designated focal areas.

Also during the first year, the public relations strategies will be determined and implemented, as the importance of positive perception associated with fund-raising cannot be overlooked. The public relations campaign will also build and work to increase the SRPC's visibility within the client communities it is serving. A key element in SRPC's fund-raising plan is to build a positive image in the minds of state and local governments, chambers of commerce and other business support groups, media, and potential funding sources (corporations/foundations).

Both the UNC Development Division and University Relations Division are and will continue to be closely involved with the planning, public relations and fund-raising efforts outlined in this plan. Although federal, state and local sources will be approached for support by SRPC, this plan addresses only corporate and foundation sources, in particular the Ford Foundation.

The public relations plan will be designed and implemented as a separate document during the start-up of the Center's core functions, which are described in the following pages:

The primary emphasis in this area will be on establishing operating procedures for the organization, such as written procedures for staffing decisions, purchasing policies, evaluations, accountability and quality management procedures, travel guidelines, and consulting arrangements, etc. Also during year one, the Center will strive to:

- recruit for and fill positions of administrative assistant and one full-time equivalent senior research staff members. Advertising, screening, and interviewing applicants is part of the director's initial responsibilities. The selection of the staff is subject to final approval of the university.
- establish a Board Of Visitors for the organization to advise SRPC on its programs and processes. From the suggested nominees and others who might be recommended, a board that

is both distinguished and representative of the various constituencies in the region will be selected, invited to serve, and convened.

- create a technical advisory committees for each of the focal areas. To provide advice and counsel and help set agendas in the focal areas, technical advisory committees composed of experts, practitioners, and users will be established. These committees will reflect the diversity of functions and the population of the region.

### *Network Building*

Criteria and methods for establishing each of the three categories of networks will be formulated, individuals will be identified and contacted, and files on individuals and organizations will be created. The goals in this area are to:

- Begin to build the three networks to a point where they can function effectively for the first two years.
- Define and nurture the working relationships among network members. This requires that the principals and staff stake out clear roles and find practical ways for members to complement one another's strengths and for SRPC to develop a unique niche as a resource and partner, not a competitor.
- Establish working relationships with at least two international institutions. This involves identifying key people, arranging for information exchanges, and jointly developing processes for collaborative research. SRPC will begin with existing working relationships between both IED and RTS, Inc. and organizations representing eastern Europe, the European Commission, and policy organizations in Scandinavia and in Australia. At least two relationships will be formalized and joint projects set into motion.
- Build linkages to HBCUs. Developing close relationships with administrators at HBCUs in order to identify promising researchers and graduate students is among the highest priorities during the first year. A project is planned during the first year with South Carolina State College to begin working on common research topics. From this and other experiences, a working group of officials and scholars from HBCUs will be formed to provide advice on the best ways to develop research capacity among minority institutions.
- Select four policy scholars, including at least one minority member. Policy scholars will be distinguished researchers or highly qualified post-doctorates with promising research projects that fit one or more of the focal areas and that might benefit from SRPC sponsorship. Policy scholars will be invited

*Information &  
Communications*

by staff, with the advice of the appropriate technical committee, based on reputation, quality and relevance of research project, and potential for expanding research capabilities.

Creating an electronic bulletin board for research networks is a major element of the service offerings of the Center. Computer-based systems will be used to provide instant communications among network members. Initially, the system will be established for the researchers, who are most likely to already be using some type of computer-based system, but with efforts to attract and educate local users. Also, the Center will promote contributions to, and use of, the more widely available "Handsnet" system as a general purpose bulletin board.

Staff will design a publications series and produce at least three publications. The printed policy document is still the most effective means to reach large audiences. During the first year, staff will identify the most useful formats for regular newsletters, serial or as-needed monographs, issue alerts or research papers, build a circulation list, and begin producing and distributing issues. Also, discussions with potential publishers, e.g. Sage, of a self-organizing series of important policy monographs and books will be initiated.

*Workshops &  
Forums*

The Center will sponsor one critical issues forum with client networks that relates to one of the topics suggested under SRPC's foundation factors. For instance, the first may be financing education in times of budget crisis or expanded roles for HBCUs in economic development.

One regional workshop with practitioners, also related to one of the designated foundation factors, will also be held. For instance, a fall conference on emerging issues facing two-year colleges is in the planning stage and could develop into an SRPC event. The workshop will include both international experts and practitioners to begin to develop exchanges of information and discussions of ideas between southern policy makers and practitioners and those from other nations.

*Research Program*

Guidelines for sponsored research will be developed. Rules for soliciting, selecting, and monitoring research projects that will be disseminated through SRPC will have to be established.

When 1990 census data become fully available, a study will be developed to re-analyze county-level employment patterns in South, with a report drafted to summarize the findings. One of the regular products of the SRPC will be an analysis of changes in employment patterns and factors that influence those changes. Based on the positive response to the two analyses completed by two of the SRPC



principals, the analyses will be upgraded, repeated, and published periodically. Since this will mark the first re-analysis using 1990 census data, it will be particularly important.

Joint projects will be developed with RTS to follow-up on its regional academies on industrial modernization. RTS is conducting, under a grant from the Aspen Institute, two regional academies. The teams formed from each state, with proper leadership, and continuity, have the potential influence state and local policy. SRPC will develop communications and encouraging further activity to carry out the recommendations expected to emerge from the academies.

**FUNDING  
STRATEGIES**

The success of the SRPC will depend on its ability to make the transition from initial start-up to long-range support using a combination of research grants, endowment funds and institutional support from the University of North Carolina. This will require a development strategy that is both carefully targeted and in step economically.

Whereas this request for funding establishes a framework and mechanism for collaborative, relevant, and useful policy research, future efforts are planned to seek direct support for both internal and external research—whether to leverage existing research or support new projects.

*Supplemental  
Funding*

Therefore, supplemental funds from numerous other foundations and research sponsors will be sought to provide the support necessary to establish a successful track record early in the founding period. For example, regional capacity-building is enhanced by a small grants program for graduate students and minority researchers, by conducting regional meetings, and by organizing an occasional important research project in-house.

Major attention will be paid to bringing as many prospects as possible to meet with the Center staff and become acquainted with their goals and objectives. Though most of the South is involved in substantial fund-raising activity at present (announced goals exceed \$6 billion), the Southern Regional Policy Center should fair reasonably well, given its selling proposition of bringing a positive and lasting impact to the regional economy.

The initial phase of SRPC's development plan calls for a campaign among those known best; southern organizations—both corporate, foundation, and to lesser degree, individuals. Twelve major corporations and foundations having all or substantially all of their operations in the South have been identified. The corporations were chosen based on their multi-state presence in the South and are considered potential funding sources due to the benefit of a strong growth-oriented Southern economy. Moreover, most have an announced plan to increase the number of well-trained minorities and women entering the workplace. The rationale behind the foundation sources chosen is their presence in the region and demonstrated interest in minority affairs.

*Grant Activity*

In the first year, small to moderate grants will be sought for projects with high visibility/utility as their implementation will support the public relations strategy. In the first several years, every effort will be made to establish a solid achievement record and build goodwill among the core donor prospect pool.

Grant proposal activity will be slight in the first two years (1 major grant and \$100K in activity per year) as the focus of operations in the early going will be on ensuring positive program implementation and building high levels of public awareness. If achieved as expected, by year three the groundwork should be complete for major proposal activity. The Center will have established a track record highlighted by the solidification of its relations to the philanthropic community and the successful start-up and maturing of its operations.

*Long-term  
Institutional  
Support*

At this point, the national fund-raising efforts will begin in earnest. Twelve additional prospects will have been identified, as in previous years, bringing the total of potential funding relationships to 36. A minimum of three major proposals will be underway at any one time.

Seeking additional funding for long-term institutional support will be an integral part of the Director and executive staff's responsibilities. Proposals will be submitted for small grants programs and internal research, in addition to those for funds to support the research agenda suggested under the focal areas. A portion will be conducted as external research, but part ought to build internal research potential that can be used to expand research capacity, encourage promising new researchers (particularly minority researchers), and leverage more substantial research support.

One important core function performed by the principal staff is identifying sources of funding for specific projects, writing grant proposals, and developing a solid reputation to ensure a base level of long-term research support, thereby sustaining the overhead and replacement costs of the Center. In addition, a transition plan with UNC's Vice-Chancellor of Business and Finance in which UNC will be worked out where UNC gradually assumes budgetary responsibility for base level non-personnel costs and the minimum staff necessary to maintain core functions.

Every effort will be made to establish a solid achievement record and build goodwill among the core donor prospect pool, and major attention will be paid to bringing as many prospects as possible to meet with the Center staff and become acquainted with their goals and objectives.

*Endowment*

Efforts to seek endowment will begin in the third year. Given the difficulty of acquiring endowment in the corporate/foundation community as this time, potential contributors will be judiciously chosen and contacted during years three to five of this plan. (see partial list in Appendix)

**BUILDING ON  
FOUNDATION  
FACTORS***Dependency  
Reversals**Regional Colleges  
and Economic  
Development*

The research agenda and policy model of the SRPC is based on the foundation factors mentioned throughout this plan. Potential projects have been identified in each area and will be undertaken as the Center grows in scope.

*Women and Community Colleges:*

Research on community colleges was discussed earlier in curriculum terms, but this issue might be broadened considerably to include careful consideration of the large number of women who enrolled in community colleges and the strong relationship between child care and payroll growth. In short, it might be worthwhile to spend SRPC funds to support a fellow with interests in the overlap between these two important areas of policy and their joint effects on economic development.

*Technical colleges and technology deployment:*

The CMC demonstration sites established to demonstrate innovation approaches to training and technology extension, now administered by Regional Technology Strategies, Inc., would become the experiment stations for regional businesses. The Advanced Manufacturing Skills Panel, for instance, the 100 state-of-the-art manufacturers identified to assess skill needs, would provide a new data base that could explicate the generalizations and assumptions about future skills needs. The sites could also experiment and learn more youth apprenticeship programs and how to adapt European models to southern environments. Research would focus on new innovative programs, documentation for others, and formal assessments.

*Curriculum and Program Mix:*

While community and regional colleges are said to be more likely to establish programs of interest to local students or of direct relevance to regional economic needs, there is little evidence to support either view. In fact, the tendency to mimic or imitate successful programs founded elsewhere is suspected to be as prevalent in these colleges as it is in cities and counties that copy programs that bear only coincidental relationship to their local needs. This is an area presently being investigated by officials at the NC Department of Community Colleges and the UNC Institute of Economic Development that could be expanded with SRPC support, particularly in conjunction with equivalent parties in other Southern states.

*Predominantly black colleges:*

Assess the potential for improving the relationship between HBCUs and regional development agencies and developing the capacity of HBCUs to support development. One possible tactic is to establish "sister" colleges who could become mentor institutions—universities or colleges with track records of success who could work closely with HBCUs to help improve their economic development and research capabilities. As an example, UNC's Institute of Economic Development and SRPC are planning to work with South Carolina State University in helping design a policy evaluation model similar to those prepared at UNC for Governor Clinton of Arkansas and the NC Rural Economic Development Center. Based on UNC's policy modeling experience and SCSC's award of funds from USDA. This sister relationship may establish a model of cooperation that could be promoted along similar lines throughout the South.

*Industrial  
Modernization**Production and Supply Networks:*

Two policies derived from the European experience are intensified inter-firm connections and industrial districts. The first implies changing the business culture along the lines of Europe's much-studied "Mediterranean, or 3rd Italy, Model" to encourage more collaboration in order to achieve economies of scale and market strength. But Europe also hosts the "Central-Scandinavian Model" that instead stresses efficient networks of large buyers and smaller certified suppliers much like those organized in Japan.

*Supplier Substitution:*

Many studies show an enormous potential for small, intentionally undercapitalized and technologically hesitant firms to become key suppliers to large firms that now source four-fifths of their inputs from outside their states' borders. UNC's Institute of Economic Development found that much of this sourcing from world-wide suppliers who can meet the certification requirements of OEM and other large producers could be retained within the region.

To further investigate these possibilities with community based partners who are willing to broker directly with major buyers, Bergman and others have proposed to design and develop a replicable method of assessing the potential for import substitution of suppliers, optimal start-up sectors for new firms, and the negotiations necessary to connect small suppliers with regional buyers. This research will be organized and brokered as a project that can be simultaneously conducted by several other researchers in their states. A jointly conducted demonstration will test the method

in different settings, under different conditions and determine the robustness of the findings in southern settings.

Dissertation research now underway at UNC that surveyed 450 textile and electronic industry firms throughout the US to learn the relative importance of factors in each industry that are responsible for technological upgrading, particularly the practice of supplier certification and the regional effects of that upgrading on productivity and output changes between 1985 and 1990. SRPC should consider funding a policy chapter from this dissertation, or to support confirmed work on substantial projects with Post-Doctoral posts. This is an immediate possibility and could get underway by July 1, 1992

#### *Industrial Districts:*

The second policy implies concentrating industries to develop a critical mass that can support R&D, and innovation, and support services. Concentration suggests sector specific information and technology hubs. Experiments on inter-firm relationships among spatially proximate firms are underway but have not been studied or assessed. Little documentation and no rigorous evaluation has taken place. Industrial districts and the effects of industrial agglomeration have been studied in Europe but not in the South. Based on the sour experience with 19th and early 20th century company towns throughout the South, policy makers instead have assumed that sectoral diversification is a safer way to develop small cities. Pilot projects carried out under a variety of sets of circumstances and careful documentation and analyses would provide a sounder basis for state policy decisions.

#### *Youth Apprenticeships:*

Recent interest in the European model has sparked a number of initiatives but with little basis in research about how to adapt it in the U.S. educational system. This may require selective hybridization with some variant of the promising Tech-Prep initiatives in rural counties that show promise in bridging high school and community college programs that lead students along specific career paths.

#### *Regional Airports:*

Small regional airports and major hubs, and now cargo airports, are considered integral elements of infrastructure, but questions remain as to whether airports lead or follow economic development. To get at some of these points in suitable detail, a collaborative project is proposed, possibly in cooperation with Carol Conway and the Kenan Institute, concerning role of small scheduled air service airports and

general aviation airports in stimulating economic development of rural and peripheral regions. This builds directly on two UNC Institute of Economic Development projects, one by Kasarda and a recent publication of Conway. It could be conducted as a model of joint "Partner Projects" with other colleagues or institutions.

*Telecommunications:*

Telecommunication is widely thought to be another key factor in infrastructure and economic development, yet there are basic disagreements about whether it benefits or harms underdeveloped regions and despite several recent studies and publications, there remains surprising little actual empirical research conducted on the topic. Initial findings from UNC's Institute of Economic Development concerning the payroll generating effects of direct digital dialing were presented at Regional Science Meetings in New Orleans. These highly suggestive results might be further leveraged with regional (GTE, Bell South), national (ATT), and international (Siemens) firms to follow-up evidence of contemporary technology using comparative research designs and possible demonstrations. (Such research might also help reinforce the basis for a relevant capital campaign among regional corporations.)

*Urban &  
Regional Systems*

The South's development dynamics flow essentially and increasingly from metropolitan areas, yet this potential is infrequently tapped due to sectional differences in state legislatures and local competition among neighboring jurisdictions. These divisions are then further deepened when "urban" or "rural" policies are proposed with the intention of affecting only one portion of a larger region. However, policies intended to boost the internal fortunes of some places invariably have interdependent effects among near neighbors, since political jurisdictions are little more than open economic units across which development possibilities flow unforeseen and with unintended consequences.

*Fine-Tuning and Regional Targeting:*

One consequence of interdependence is that a policy that works in some places will not in others, or may even have damaging effects if imposed in certain areas. And of course this is further intensified in the bordering counties of adjacent states. The policy impact models developed by UNC's Institute of Economic Development take explicit account of this interdependence among counties of Arkansas and North Carolina, but also in Texas, Oklahoma, Missouri, Tennessee and Mississippi (for Arkansas) and in Virginia, South Carolina, Georgia and Tennessee (for North Carolina). Knowledge of how policies invoked in some components of a region may affect other parts of the region allows careful targeting and wise mixing of

different policy options. The case for regional compacts, agreements, and cooperation has been made so frequently in the abstract and without the backing of evidence that such possibilities are now dismissed prematurely even in cases where highly desirable arrangements are possible. These regional options can be tested directly if a state has developed a policy impact simulation model, and tests can be conducted in several different states with such models to evaluate alternative impacts of strategy options.

*Policy Test Bed To Account for Worker Incomes:*

The urban "backwash" that routinely suppresses development in surrounding rural areas can be countered once the contributing factors have been identified. Similar effects due to interstate highway systems can also be countered once the compensating policy options have been identified by the model. This is particularly important in the case of education and training for the community colleges in which larger numbers of students enrolled in some curricula appear to handicap the rural counties adjacent to MSAs. In reality, the exceptionally large benefit observed in urban counties is very likely due to the commutation of educated students from rural counties of residence to urban counties of employment. These possibilities should be examined directly with policy simulation models that account for the earnings of residents gained in neighboring places as well as from the payrolls generated in the home county. Work has begun at UNC's Institute of Economic Development on this version of a policy impact simulation model.

*Multi-State Southern Policy Model:*

Some policies will have wholly different effects in different southern states. For example, in industrially advanced states such as North Carolina, the beneficial relocation of late product cycle firms from expensive MSA locations to rural sites in the same region would free costly sites for urban-dependent sectors while extending the period of productive activity in vulnerable sectors. Better regional linkages also support the design and operation of realistic mass transportation systems that link concentrated centers of work and residence, while also promoting the establishment of employer-supported housing and child-care programs that allow conserve scarce human skills. Or consider entrepreneurship: a given entrepreneur in North Carolina generated nearly twice the payroll growth of Arkansas counterparts during the 1982-88 business cycle recovery. This means that any piecemeal evaluation of entrepreneurship in the two states might incorrectly attribute poor program success in Arkansas when the structural features and historical endowments there were so severe that one must expect less, at least in the short run. This uncertainty could be rectified and sounder region-wide policies result if the policy



impact simulation model was applied to a slightly larger sample of states; effects that result from these industrial state case studies could then be fairly compared. Based on these comparative results, one or two test site demonstrations of interdependent policies and transmission mechanisms (e.g., migration, commutation, relocation of firms) might be selected that would allow much more to be learned, particularly if monitored by a team of SRPC researchers from several states.

*Governance and  
Policy Capacity*

*Fiscal systems research:*

Studies of this type are suggested to investigate the adequacy of existing state/local fiscal compacts; equitable systems of revenue sharing; effectiveness and equity of various taxing mechanisms; and reallocation of the costs of certain services (such as environmental monitoring) to the entities generating those costs.

*Analytical Policy  
Tools*

*Performance Audits:*

Several southern states are in the midst of audits and performance reviews, or are engaged in reorganization of governmental functions based on recently completed performance reviews. Most have called for improved performance measures of all public programs and policies; while several municipalities have adopted performance based systems, there is little experience at the state level. SRPC could become involved in one or more of several opportunities available to work with ongoing state efforts to better understand how to design and operate statewide and substage performance measures and to conduct effective policy impact assessments.

## CORE FUNCTIONS

The core functions of the SRPC form the basis upon which a strong regional policy research agenda rests, and are designed to:

- support the research efforts of the Center and its principals
- advance the research agenda by providing leadership and focus in Foundation Factor Research and emerging issues
- increase the effectiveness of networks by establishing the basis for the relationship and communication between a growing and interested professional community and client organizations
- empower policymakers by creating forums for sharing experience and points of view and disseminating appropriate and timely research.

The Center's core function is the effective marriage of policy and research, building a strong voice for informed regional policy and practice in the South.

## THE PRINCIPALS

The principals (Bergman, Carlisle, Rosenfeld, and Wegner) will comprise the core research group. An additional member may be recruited from another school or campus to contribute important skills, expand the basic networks, and cover significant areas of public policy from various perspectives. Full curriculum vitae of all known principals are supplied in the Appendix. Most of the five principals would be expected to hold a base appointment in a home department or organization and to participate during a sizeable (and compensated) fraction of their overall work schedules. The principal staff bring substantial and varied expertise to the proposed Center. Each has a strong background in various substantive areas of urban, rural, and regional development. Additionally, each has historical affiliations with most categories of actors in the policy and practice landscape, particularly of the Southern region.

### *Edward Bergman*

BERGMAN is a graduate of an associate degree program from a rural college, received his B.S. with honors from a land grant university (Michigan State University), and subsequently earned MCP and PhD degrees (as University Scholar) in city planning from the University of Pennsylvania. Now in his twentieth year as faculty member at UNC-CH (including three years as Special Assistant to Dean, UNC College of Arts and Sciences), he serves as research scholar and educator of local economic development professionals. Bergman teaches courses in state and local economic development, labor market and employment planning, and planning theory.

He developed and directs a faculty/student exchange program between the University of North Carolina and the Vienna University

of Economics, recently extending into Eastern Europe as well. Bergman consults with Southern Growth Policies Board, Southern Technology Council, North Carolina Rural Economic Development Center, and other public and private clients. He brings an active research agenda to the Center, one that has been funded by numerous foundations (Ford, Kellogg, Aspen, Mary Reynolds Babcock, Volkswagen, etc), federal agencies (EDA, NSF, DOT, HUD, DOL, USIA, etc) and various state programs.

His publications, public presentations and current research are concerned broadly with industrial restructuring among state and local economies, regional production and technology networks, economic development potential across metropolitan and rural regions, human resource strategies in regional development, strategic planning in institutions of higher education, and comparative U.S.-European development policy. These interests are likely to find expression in each of the proposed Center's Foundation Factors, but Bergman will assume primary responsibility for stimulating research and policy in Economic Infrastructure and Urban-Rural Regional Policy, and secondary responsibility for Industrial Modernization.

With respect to recent research on Urban-Rural Regional Policy, Bergman (and Gunther Maier, Vienna University of Economics) recently completed a study of policy outcomes associated with education and training, roads, entrepreneurs, capital investments, urban and rural populations, retirees, agriculture, government employment, telecommunications, etc. This project was conducted for the N.C. Rural Economic Development Center and was based on an earlier study conducted for Governor Clinton of Arkansas; both projects estimated the effects of policy outcomes on economic development of North Carolina (and Arkansas) counties between 1980 and 1987. The main findings were prepared to run on STORYBOARD, an IBM supported presentation medium that is particularly well-suited for busy policy-makers and that runs interactively on self-contained diskettes used in typical DOS-based personal computers.

Bergman will take principal responsibility in organizing the university research scholar network among Southern, international and historically black colleges and universities. From his perspective, the Center ought to operate in such a way that it allows faculty to incorporate multiple levels of policy engagement in teaching, research and consultation, and to find publication outlets for Center-sponsored work. He brings this set of perspectives to the proposed Center, elements of which probably fall within the representative range of experience known to many other faculty as well. Accordingly, he expects the Center to help find colleagues from other universities who share similar research policy interests. The

building of a critical mass of scholars in this region is very attractive, and would facilitate greater levels of cooperation and productivity in policy planning and information diffusion.

*Rick Carlisle*

CARLISLE, a native of North Carolina, has held numerous regional, state and national public policy posts. He has been involved in public policy as a state official directing a major local planning and development division, and designing and directing a community development financing program. He served as a regional economist with a regional university in the University of North Carolina system. As Vice-President of the North Carolina Rural Economic Development Center, he directed numerous policy studies and demonstration programs. He served as director of policy and housing and community development services with the National Association of Housing and Community Development Officials in Washington. Currently he is a senior fellow with the Corporation for Enterprise Development and directs their rural initiatives from his North Carolina office. He has been published in several journals and is the author of numerous policy reports.

He is a graduate of two Southern educational institutions - a magna cum laude graduate of Duke University with Distinction in Economics, where he was Phi Beta Kappa and an A.B. Duke Scholar, and a graduate of the Master of Regional Planning program at UNC, where he was a University Fellow.

His interest in this regional policy center and network derives from his professional affiliations as a university-based economic researcher; as a former state official charged with the development of smaller towns and communities; and as a founding staff member of a state-based rural policy research center. Through holding positions that spanned both policy and practice, Carlisle became convinced of the importance of focused, impartial research in developing informed state policy decisions and in determining the effectiveness of various programs. He also became aware of how difficult it is to marry the requirements of routine academic research with the specific needs of policy makers. The N.C. Rural Economic Development Center made in-roads in addressing this issue. Though constricted by operating on a single-state basis, and limited to some extent by political considerations and the need to build a service-based constituency, the Center's organizational mandates precluded a longer-term focus on significant policy issues. Carlisle's principal activities have been in state economic development policy, state programs and policies to build the capacity of regional and local organizations, and in enterprise development and development finance. Most of his experience as a state official and as a principal

in the North Carolina Rural Economic Development Center was directed to these three issues.

Over the last two years Carlisle has become increasingly interested in the issues of governance – how public sector institutions must reform themselves in order to be effective at policy development and program delivery in this new economic environment. Popularized by David Osborne as reinventing government and by the Corporation for Enterprise Development as the third wave, the need to substantially restructure public institutions is beginning to permeate public sector thinking. Effective state policy development and implementation will by necessity be forced to integrate the issue of governance if government is to have a significant impact on economic development.

Carlisle also brings strong administrative skills to the policy center. He has operated large state agencies, with budgets in the millions and a staff of 70; managed large scale development projects, with a total portfolio of \$300 million; and managed large federal contracts and grants. Conversely, he has also directed policy staffs in small and medium sized non-profit organization. Carlisle will assume primary responsibility for the governance and policy capacity, and analytical and policy tools issue areas. He will assume secondary responsibilities for the economic infrastructure, industrial modernization, and urban-regional systems issue areas. He will have primary responsibility for administration and management of the center.

By building on the lessons of the North Carolina Rural Development Center and other policy organizations, Carlisle believes a strong policy resource center can be designed to effectively marry policy and research and build an effective voice for informed regional policy and practice in the South. His interest is in building an effective regional institution that can serve as a long term source of high quality, consistent, non-partisan information for state policy makers and practitioners. As a native Southerner, he is vividly aware of both the progress the South has made in the last decades, and the distance it has to go if all Southerners are to have a reasonable opportunity to participate effectively in the region's economic development.

*Stuart Rosenfeld*

Dr. Stuart A. ROSENFELD (B.S. cum laude, University of Wisconsin, Chemical Engineering; Ed.D., Harvard University, Education policy and planning) brings a state policy perspective to the project. As former deputy director of the Southern Growth Policies Board, a regional interstate compact, and director and founder of the Southern Technology Council, an advisory body to SGPB that also pilots innovative technology based programs, he brings a multi-disciplinary state policy perspective. In 1991, he founded Regional Technology Strategies, Inc., a private, non-profit

organization. Dr. Rosenfeld has experience in the private sector, both with the General Electric Company and as a consultant to small firms; in education, as director of a private alternative elementary school in Vermont and an instructor at five universities; and in the public sector, with the National Institute of Education and then SGPB. His interests, experience, and research range from rural education to industrial modernization. His accomplishments include designing, monitoring the research, and co-authoring a four-year national study of vocational education for the Congress, conceptualizing and founding the Consortium for Manufacturing Competitiveness, a 14-state project to demonstrate innovative approaches to modernizing small manufacturers; co-authored with Ed Bergman widely-cited regional studies describing and explaining changing employment patterns in the South; and introducing flexible manufacturing networks as a path to competitiveness to the region. By maintaining the networks he developed in each area, he now has an extended and interrelated network of colleagues throughout the United States and western Europe. Further cultivation of partner networks across the South will occupy much of Rosenfeld's time spent on core operations.

Rosenfeld has served on the National Academy of Sciences committees, testified before three Congressional committees, and has served on the board of many national projects and organizations. Currently, for example, he is a member of the Board of Director of the National Coalition for Advanced Manufacturing, the Louisiana Partnership for Technology and Innovation, and is a member of a Task Force of the President's National Education Goals Panel.

Rosenfeld founded RTS in order to have greater autonomy to conduct research independent of political pressures, to be able to work outside the region on a limited basis in order to expand his base of experience, and to move beyond policy analysis into design, implementation, and assessment. His current company is operated as a one-person operation, drawing on a wide range of experts—from not only within the region but other regions and other nations—as needed for any particular issue. This center would provide mutual economies of scale, a network of researchers with which to collaborate, and an outlet for testing new ideas and affecting practice. At the same time, his work would bring new issues to the SRPC and opportunities to expand upon the core work of RTS.

*Judith Wegner*

WEGNER is a graduate of the University of Wisconsin-Madison (where she received her B.A. with honors) and UCLA (where she received her J.D. degree). Prior to entering law teaching, she served as a judicial law clerk, an attorney-advisor in the United States Department of Justice (with special experience in constitutional and natural resources issues), and a special assistant to the United States Secretary of Education.

Wegner has taught courses in land use, local and state government, property, and the rights of disabled persons. In addition to teaching law students, she has taught planning students and served as an instructor in continuing legal education programs. She has also been a speaker on numerous occasions to groups of local officials, lawyers, law teachers, and community groups.

Wegner maintains an active commitment to research in a variety of fields. She has co-authored a casebook on state and local government law. She has written for legal audiences on such topics as discrimination on the basis of handicap, special education, land use law, and public/private entrepreneurial ventures. She has also written on collaborative problem-solving and watershed regulation for planners. Her current interests center on legal problems of local governments, land use law, and dispute resolution.

Wegner is active in national legal education circles, and currently serves on the executive committee of the Association of American Law Schools. She has also served on the executive committee of the Order of the Coif (national law honorary society), as chair of the accreditation committee of the Association of American Law Schools, and as a member of the executive committee of the section on state and local government law of the Association of American Law Schools. Wegner has served on numerous campus committees, and has recently served as co-chair of the UNC Chancellor's Committee on Community and Diversity. She has also contributed her insights on various topics relating to management in higher education, to national programs on such topics as "managing in hard times," and dealing with sensitive faculty personnel issues. She maintains a wide network of contacts within the legal education community.

Wegner is in her third year as Dean of the University of North Carolina School of Law. She has attempted to expand the school's initiatives in the area of public policy and leadership development for law students interested in public service. She maintains an active network of contacts with law alumni and friends of the school who serve in key positions in state and local government for expanding collaborative programs which involve the law school with the School of Social Work and the North Carolina Central University School of Law (a historically black college in nearby Durham). In addition,

Wegner has helped the law school sponsor important programs on worker safety, and education for minority and disadvantaged students in the public schools. She is also taking initial steps to begin a poverty law institute or related programs at the law school.

Wegner has served in a variety of appointed and elected positions involving local government. She was an elected member of the Carrboro, North Carolina Board of Alderman from 1985 to 1989. She also participated in numerous appointed boards on the local level. During her term as an Alderman, Wegner helped organize collaborative mechanisms involving government officials from several area jurisdictions to address fiscal issues, land use planning, and watershed regulation controversies. Wegner also serves on a state legislative committee concerning the amortization of non-conforming uses, and consults informally with local government officials and attorneys involved in various sorts of controversies. In addition, she has recently worked with elected officials in her area to create a training program on conflict management for local officials, further contributing to efforts toward improving decision-making among local governments.

Wegner's principal interests in the projects described in this proposal include the pursuit of novel legal questions facing local governments, and the development of governance structures and legal mechanisms to address the changing needs of society. She is also interested in interdisciplinary efforts to help local government officials build their capacity for problem solving. In addition, she hopes that her participation in the project would allow her to involve law students in public policy research, and to tap the expertise and contacts of interested alumni.

**RESEARCH BY  
CENTER  
PERSONAL**

Internal research will be guided by the principals, and conducted directly on four levels: senior staff research; resident fellows' projects; dissertations; and a small grants program to stimulate research on emerging issues.

The principals have been selected because of their independent interests in policy research and development, as described in the workplan and the biographical sketches. The principals will have the opportunity to organize their projects on a region-wide basis with direct access to networks of potential research colleagues, policy partners and public policy clients. To support these possibilities, visiting Fellows, Post-Doctorates and Graduate Students will be recruited to assist the principals in organizing their SRPC projects.

The Core Functions will be initially divided among Principals according to interest and experience. Table II summarizes the initial overall deployment of effort seen as necessary to accomplish the Core



Functions. As the Center matures, the principals will broaden the scope of their research efforts, serving to expand their expertise and exposing them to all aspects of the Center's operations.

Members of the staff have special expertise and will conduct and manage internal research on selected topics, as described in the Workplan and Research Agenda.

Affiliated scholars and fellows will be expected to work on developing the research agenda with principals, and part of the selection process will rest on the relevance of the research to the focal areas described in the description of the foundation factors.

The Center will encourage and support dissertations and policy research projects for graduate student interns, with special emphasis on participation by minority candidates. The SRPC will conduct a small grants program, depending upon the ability of the staff to raise additional funds. This program will include targeted small grants competitions, support for dissertations, a talent bank to support the work of minority research fellows, and supplemental support to partner organizations for major research projects.

*Collaborating on  
Projects  
Originating  
Elsewhere*

The Center will also be involved in research projects that fit within its research agenda and originate within other organizations. The two organizations most likely to be involved at first are those associated with principals: Regional Technology Strategies, Inc. and UNC's Department of City and Regional Planning. For example, industrial modernization might be designed as a core function of SRPC but much of the work could be carried out under the auspices of Regional Technology Strategies, Inc., while related work on buyer-supplier networks or broader regional economic studies might be carried out through the UNC Department of City and Regional Planning. If warranted, subsequent work on comparative development issues might be carried out with CERRO (Eastern and Western Europe), Rural Education Research and Development (Australia), or other similar affiliates.

Second, the SRPC will conduct projects that are proposed by other researchers who need SRPC's brokering and outreach, who desire the authenticity that the SRPC affords, or who want assistance in finding research sponsors.

*External Research*

Expertise in the South is widely dispersed among many colleges and universities and thus is unable to attract a significant share of available funds. The value of research is diminished by constraints on scope and scale of efforts and, therefore, results often cannot be generalized to other areas and different conditions. Collaborative projects that bring together the best researchers are more competitive and are more likely to be awarded grants. The quality of the research is

greatly enhanced by replication, especially where conditions are able to be varied systematically.

Region-wide research projects are able to exploit untapped opportunities to expand scope and economies of scale, and to provide more reliable results.

The SRPC will actively broker multi-state and multi-institutional projects, identifying research partners that through coordinated efforts can produce more as a whole than the sum of their parts by:

- seeking support for multi-state projects
- brokering partnerships
- serving as mediator for partners
- coordinating the partnering process
- disseminating results.

#### ADVANCING THE RESEARCH AGENDA

##### *Board of Visitors*

The SRPC will identify emerging issues and critical topics for the region and assemble and organize the region's researchers and high-level policy officials to frame issues for further analysis and policy responses.

Identification, discussion, and debate of emerging and important policy issues is a precursor to effective policy responses. One of SRPC's core functions will be to establish a process for identifying new and emerging issues, changing conditions, and impending problems, and providing a neutral environment in which issues, even if controversial, can be debated. The significance of major trends, the targeting of areas for prospective efforts, and assistance in obtaining future research funding will require the actions of a dynamic Board of Visitors.

##### *Forums and Scans*

For specific policy problems to be addressed early and effectively, it is vital that the region have some sort of early warning system. The Core staff will lead its networks of policy fellows, local contacts and other U.S. or international experts in scanning and identifying new and emerging issues, and exchange shared information by electronic bulletin board. This information will be more widely disseminated through printed matter, and data bases. The SRPC newsletter will be used to solicit ideas and suggestions for new issues.

The SRPC will organize forums on emerging topics and significant policy events. These forums bring together experts and practitioners to debate research findings and policy trends, and to discuss the relative merits of alternative actions. For example, small ad hoc working groups of 10-20 people will be convened in various parts of the South.

*Policy Summits*

There is now the practical capacity to join together two or more such groups meeting at the same time via satellite up-links (@ \$500 per hour, using UNC's facilities and vendor contracts) for timely comparison of progress and viewpoints. The results of the forums would be documented (possibly videotaped) and widely disseminated for further debate and discussion, thereby elevating the overall level of understanding and improving prospects for practical action. On particularly important topics, the SRPC would organize policy summits, bringing together the best researchers and high-level policy officials to emphasize the seriousness of problems and formulate responses. Examples of issues that might be addressed in issue forums and summits are:

- results of microenterprise evaluations
- alternative industrial modernization strategies
- the future of branch plants in tomorrow's economy
- economic impacts of numerous state and local policies, and
- state-mandated performance and budget audits.

Many avenues of cooperation and communication between key institutions, foundations, and partners will be fostered by SRPC's program. A few of the planned action steps include:

- working with Chancellor Hardin of UNC, Thomas Lambeth of Z. Smith Reynolds, De Witt John of Aspen Institute, with Drs. Walter Coward and Michael Lipsky of Ford Foundation, and others to invite and convene the SRPC Board of Visitors
- establishing working electronic bulletin board at UNC
- formulating a scanning process to identify issues
- sponsoring issue forums and convening policy summits

Until such time that SRPC has developed an independent reputation, its core staff will draw on their personal contacts and networks of state officials and experts to help organize local forums on issues in which they are currently engaged.

**INCREASING  
EFFECTIVENESS OF  
KEY NETWORKS**

*Policy Partner  
Networks*

The SRPC's efforts to network resources are critical aspects of this plan, and will depend in a large part on the Center's ability to:

- develop greater trust among, and working relationships with other organizations involved with public policy analysis formulation
- expand its in-house capabilities and leverage support
- give maximum visibility to the results of their efforts
- build an international network that further stimulates and inspires innovative policies and practices.

Numerous organizations across the South are engaged in various aspects of policy analysis and development, with different levels of involvement. Some, for example, do more theoretical research for publications, some do advocacy research for specific constituents or interest groups, while others provide technical assistance.

For example, the Southern Growth Policies Board primarily identifies issues and synthesizes research, but periodically it will provide technical assistance or undertake a research project that requires primary data collection. The Southern Regional Council has a well-delineated constituency, yet it tackles major research projects such as education finance. Finally, the Mountain Association for Community Economic Development (MACED) produces very good advocacy research. These organizations, whose work either complements or can be enhanced by SRPC involvement, are potential partners that comprise yet another valuable network.

There also are compelling reasons to look outside the U.S. for partners. First, many of the concerns of the South are global in nature and cannot be adequately addressed without understanding the economies of other nations. A good example are the microfinance models drawn from developing countries that are now under active experimentation in Arkansas and North Carolina. Second, other industrialized nations are trying new and innovative approaches to some of the same problems facing the South, and there is much that could be learned.

Building relationships with peers in other nations is very difficult for state and local officials and for practitioners because of the lack of contact with, and information about, other nations and the provincialism of legislators, many of whom remain skeptical of the value of international travel. Yet, some of the most interesting recent ideas originated in Europe or Japan, e.g., flexible manufacturing networks, youth apprenticeships, and more active trade associations and chambers of commerce.

**Actions Items:**

- identify U.S. partner organizations and develop communications and workable processes for collaboration
- identify non-U.S. partner organizations in Europe (including the European Community and organizations in Central Europe), Australia and Latin America by establishing an international communications network with SRPC and with other regional research partners
- select at least one project with an international partner in the first year's operation and continue to expand using current networks of staff.

**Scholar Network**

The SRPC will strengthen the South's research capacity by building an initial cadre of policy research experts upon whom it can call for whatever expertise is needed and will, over time, expand that network to include individual scholars from regional and historically black colleges and universities as well. Unlike the networks of clients and policy partners with whom SRPC will work on an institutional basis, the research network will consist primarily of scholars.

This network of individual researchers will provide the SRPC with the flexibility and adaptability to meet changing policy research needs and to assemble the most qualified research teams on any given issue. This will avoid SRPC being bound by a common shortcoming typical of research centers, i.e., they get locked into idiosyncratic types of research and areas of interest in which they have developed expertise or that matches the interests of staff or faculty.

In all likelihood, the Center will draw first and most heavily upon faculty represented in the Southern Regional Science Association, the American Collegiate Schools of Planning, and the American Public Policy and Management Association, and other research-based membership organizations, simply because of their current involvement in policy research and the initial ease of using membership lists. These membership groups will provide primary access to individuals who will comprise the research network.

Subsequent expansion of faculty affiliates will be accomplished by distributing announcements of policy research opportunities (through UNC's Office of Research) to sister colleges and universities. Electronic bulletin board listings and routine postings at Southern conferences will also be employed as long-term measures to reach faculty at comprehensive and regional colleges interested in policy research.

The South's regional and minority faculty, a large part of the potential research base of the region, have been insufficiently involved in public

policy research for reasons outlined earlier. As these faculty and their colleges become more active players in regional development, it is increasingly important to tap their research capacity. Delta State University, for instance, has just raised a million dollars to endow a Chair of Economic Development, but needs to build its research capacity in economic development in order to attract outstanding candidates. Linking that Chair with SRPC could be an added incentive in this and similar instances. To take another example, the Economic Development Administration supports centers at a number of regional universities, including three HBCUs in the South.

With nurturing, newly-provided research opportunities and incentives, and individual recognition, relevant researchers from a wide spectrum of colleges, universities and research organizations can be drawn to the study of policy, thereby building the policy research capacity of the entire region. This will prove particularly valuable in stimulating the flow of newly minted graduate and professional students to the field of public policy.

Though a long-term process, immediate steps can be taken toward strengthening the South's research capacity, including:

- establishing the process for identifying, and defining the procedures for working with the best scholars and consultants from around and outside of the region, and building research capacity among minority and regional institutions
- maintaining SRPC's electronic bulletin board with a self-nominated roster of names of policy researchers available to conduct research
- solicitation and electronic bulletin redistribution of all research opportunities sent initially to SRPC, but also including research opportunity notices self-posted by clients, policy partners and research funding sources
- regularly reviewing papers at professional conferences to find potentially outstanding policy researchers
- asking HBCU graduate school deans to name outstanding graduates and recommend them to clients for project work
- seeking out and recognizing the work of the best researchers from community-based organizations
- establishing mentor relationships with "rising stars" working on issues for SRPC alongside established analysts.

#### *Client Networks*

One of the major goals of the SRPC is to establish a network of clients from the region, including state and local governments and community-based organizations, and involve them in program development in order to:

- take advantage of their practical experience to understand regional economies and identify knowledge gaps
- stimulate demand for information
- encourage them to try new innovative policy responses.

Demand for policy research is now comparatively low for a number of reasons. First, much of the research produced by universities has been poorly presented, not understood, and thus underutilized. Second, some research has been viewed as biased, and has been employed to advocate partisan positions rather than clarify situations. Third, there is a tendency among state and local officials to want only good news. It was well into the 1979-82 recession, for example, before the rural policymakers in the South acknowledged that employment levels continued to dwindle and began to take delayed actions.

Procedures are needed to help policy makers and practitioners read signals and be willing to prepare for the future instead of waiting to respond to crises. Policy research can be used to identify issues, but there must be clients willing to listen and use research. The most effective way of getting their attention is to actively involve them in the process. Perhaps more important, state and local officials are the first to feel the effects of changes, but often without the time or means to analyze them. In an environment in which they are able to reflect and share information with others, they may be the best bellwethers of change.

#### Actions Items:

- build action network of client membership organizations
- presentations at membership organizations
- cross fertilization of ideas through publications
- information exchange.

#### **EMPOWERING POLICY MAKERS**

The research of academics and the activities of institutions are only valuable when the fruits of their labor are accessible and meaningful to the communities that need them.

Knowing this, the SRPC will use its client and research networks to identify and select topics for symposia, workshops, and academies which it will sponsor. Others will be organized collaboratively with other organizations such as the Southern Growth Policies Board or the Southern Regional Council, which document and disseminate proceedings and findings.

*Conduct  
Symposia,  
Workshops &  
Academies*

Information is disseminated and knowledge transmitted most effectively on a person-to-person basis. Sharing and debating ideas also creates a synergy whereby new knowledge and innovative ideas can germinate and emerge. The SRPC will host one-day symposia to present new ideas, workshops to discuss emerging issues, and intensive academies to educate practitioners in new approaches to and methods for regional development.

For example, as a means to promote timely discussion of policy issues, the Northwest Policy Center conducts mock trials on economic development in the northwestern states. A particular state agency is "put on trial" and charged at some future date with failing to respond adequately to new and emerging conditions known at an earlier date; expert witnesses are called in to testify, and a jury of peers decides whether the state was on track or not.

This has proven to be an excellent mechanism for engaging clients and researchers in policy debate and design and building consensus. We are particularly fortunate in having among our principals the Dean of UNC's School of Law; she is skilled in organizing similar workshops and experienced in enabling the participants in such events to gain a firmer grasp of their responsibilities to solve important policy issues.

Another example is the Regional Academy on Industrial Modernization, such as those conducted by the Council of State Policy and Planning Agencies and the Southern Technology Council, where state teams learn about new strategies and collectively formulate state practices. Another of the principals, Stuart Rosenfeld, has gained valuable experience in managing and conducting successful academies.

The process of "empowering" local officials and increasing their policy capacity will be a prime focus of the Center's efforts. The SRPC will:

- use the client and research networks to identify and select topics for symposia, workshops, and academies
- either collaborate with other organizations (e.g., Southern Growth Policies Board or Southern Regional Council) to host these seminars or host them internally
- document and disseminate proceedings, process or findings
- host (or co-host) symposia or workshops on emerging issues among SRPC researchers
- host or (co-host) symposia or workshops among SRPC partners to focus efforts
- engage clients in issue debates.



*Publications &  
Information  
Diffusion*

Even the best research is of little value to the region if it fails to reach the right people in the right form. The SRPC intends to:

- develop networked outlets for disseminating outstanding and timely research and policy studies
- establish an active dissemination process within SRPC
- build demand for research products and information
- build subscription files.

Any number of methods of information may be used, but the most effective means may well be through the traditional media (op-ed articles, for example), existing popular magazines and journals with broad and selective circulation (e.g., *Governing* or *State Legislatures*), newsletters from other organizations that have established constituencies (e.g., the Southern Growth Policies Board, CUED, and the National Association of Towns and Townships), and conferences. Also, databases and electronic information networks are potentially important, but not yet widely used. National diffusion networks such as the U.S. Department of Commerce's National Technical Information Service are expensive and not well advertised. Eventually, and over time, the SRPC will build its own diffusion mechanism. The best writers from among the research network would be encouraged to submit articles, with editing and marketing coordinated by staff.

SRPC's products, which are tailored to intended audiences, include an annual report, periodic newsletter, research reports, and occasional monographs. The possibility of endorsing and soliciting important manuscripts for an independently edited series of policy books and monographs will also be explored with a publisher (e.g., Sage Publications).

## ORGANIZATIONAL STRUCTURE & STAFFING

### OVERVIEW

Conducting the daily business and administration of the Southern Regional Policy Center will require the efforts of a well-qualified and coordinated team that will support and build on the efforts of the founding principals.

The organizational structure is comprised of three primary divisions, with the principals and executive-level staff having varied levels of responsibilities within each. The divisions are:

- Administrative & Capital Management
- Core Functions & Services
- Research

The positions identified at this time are Director, Office Manager, Project Manager, and Fellows/Post-Doctorals/Graduate Students. This last group will assist the principals and staff in research and other core functions of the center.

The Project Manager and Office Manager will conduct the majority of the administrative functions, assisted by work-study students. The Director (and founding principals) will focus on the development and implementation of the Center's agenda and capital needs.

An overview of the job description of the three primary positions follows, supplemented by Table II on page 62, which illustrates the allocation of labor across the spectrum of activities proposed for the Center.

### DIRECTOR

The Director will:

- serve a dual role as a principal of the Policy Center and as the top administrative officer, serving in effect as the "managing principal" of the organization
- contribute to and coordinate the development of clients and networks, as well as plan for events and supervise publication of the annual report and other publications
- be principally responsible for building relationships with the client network and with the principal users of policy research.

In the early phase of the Center's development, it is anticipated that the majority of the Director's time will be dedicated to management, raising additional resources, and building coalitions with other organizations. Subsequently, more time will be allocated to the major policy issues identified in the discussion of foundation factors in Section VI.

**PROJECT  
MANAGER**

Over the life of the Center the concept of a "managing principal" will permit other principals to assume this role, allowing each principal to, at some point, devote the majority of his/her time to directing policy related activities. This will also build the management base of the organization, strengthening the capacity of the Center.

Rick Carlisle will be the initial "managing principal," will have primary responsibility for the Governance and Policy Analysis items on the Center's agenda, and will play a supportive role in other areas as well.

The Project Manager's (PM) functions will require a broad range of research-related skills and demand a great deal of capability and experience in both research and management, as the PM's responsibilities are the broadest of the executive staff.

The PM will be responsible for routine administrative interactions between UNC and SRPC. In this role, the PM will manage rental agreements with the University Real Estate Office, and procure supplies and equipment as necessary in compliance with University and State purchasing agreements. Also in a managerial capacity, the PM will perform monthly accounting duties and procure the services of outside accountants for annual auditing.

In addition to these and other administrative responsibilities, the PM will conduct some routine research on a part-time basis, either independently or in conjunction with core staff or affiliated fellows. This function will require familiarity with policy issues, as well as formal training in a field related to the research issues.

The research requirement is designed to cultivate an on-going concern with the successful pursuit of important SRPC activities and to build a strong team approach to policy research. This includes preparation of materials, schedules and other arrangements attendant to working with the Board of Visitors.

The PM will be responsible for maintaining a library of reference materials and subscriptions and memberships, and will also work closely with the core staff, the Director in particular, to plan and organize SRPC events, conferences, workshops, etc.

The PM will bear the responsibility of maintaining the computer and audio-visual equipment. This will entail procuring the services of computer consultants, either on campus or in the open market as necessary, to install software and maintain the network and equipment. This function will require enough familiarity with personal computers and networks, software packages, and the operation of video equipment to diagnose problems that require outside assistance.

The Project Manager will, in conjunction with UNC's offices of human resources and contracts and grants, negotiate the contracts of fellows and non-University employees affiliated with SRPC.

The PM will not directly supervise the work of graduate researchers, affiliated fellows, or core staff, but will monitor scheduled activities and projects. He/she will supervise the activities of the work-study staff, and the Office Manager to ensure that the researcher's needs are being met. In many of the above functions, the PM will work closely with the Office Manager.

#### OFFICE MANAGER

The Office Manager (OM) will assist the Project Manager and the Director with the administrative management functions. In this role, the OM will manage personnel, with particular attention to the daily assignments of work-study students who will provide data-entry and editorial assistance. The OM will assist the Project Manager in supporting the research activities of the core staff and affiliated fellows with essential services.

In addition, the OM will work closely with the Director to manage external communications and maintain the timely flow of publications, newsletters, report drafts, etc. This role will entail responsibility for physical production and release of external communications, including the design and production of the newsletter and other publications. The OM will also assist the Director and the Project Manager with event planning, coordination, and execution.

#### OPERATING ASSUMPTIONS/ PROCEDURES

The SRPC will operate wholly within the corporate shell of the University of North Carolina at Chapel Hill, but retain an autonomous region-wide identity to establish effective scholar, client and partner networks. In operating within the University (see Appendix for UNC organizational chart and other pertinent information), the following assumptions and procedures form the basis for this plan:

- all financial, contractual, legal, accounting, personnel and other organizational services and procedures will apply to administration and core functions
- Ford funding guidelines will establish what are considered reasonable overhead charges, probably not to exceed 15% of total funds awarded
- affiliated fellows, collaborating scholars, closely related research institutes, partner organizations and other relationships that involve performance of tasks and compensation will be arranged through standard subcontractor agreements

- the Center will occupy approximately 2,500 sq. ft. of office and research space on, or immediately adjacent to, UNC's campus, with direct connection to a mainframe computer
- during the initial start-up period, the SRPC will be administratively hosted by the UNC Department of City and Regional Planning with the understanding that long-term arrangements will be worked out before expiration of the founding grant
- As full-time University of North Carolina employees, administrative staff receives the state benefit package, which includes a retirement package, social security matching contributions, and health insurance for the employee. Graduate researchers, work-study employees, and visiting fellows are not entitled to state benefits.
- Research fellows may be able to make arrangements with their permanent employers to retain the benefits package if SRPC buys some fraction of their time from the permanent employer. For these and all other permanent, full-time positions, the University of North Carolina advertises all position announcements and commits itself to be an Equal Opportunity Employer.

Table II. STAFFING PATTERN &amp; TASK ALLOCATION

Responsibilities and Staff Functions	Principals* @ 2.7 FTE	Adm. Staff, Work/Study @ 2.50 FTE	Fellows/Post Doctorate @ 0.60 FTE	Graduate Students @ 0.60 FTE
<b><u>DIRECTION</u></b>				
Administration	.25	1.50	0	.05
Capital Campaign	.10	N/S	N/S	0
<b><u>CORE FUNCTIONS</u></b>				
<b>Framing Policy Issues</b>				
- Board of Visitors	.10	N/S	N/S	0
- Electronic Bulletin Board	.10	N/S	0	N/S
- Issue Forums/Scans	.10	.05	N/S	N/S
- Policy Summits	E/F	.05	N/S	N/S
Client Networks	.20	.05	N/S	N/S
Scholar Networks	.25	.05	N/S	N/S
Partner Networks	.10	.05	N/S	N/S
<b>Publications</b>				
- Newsletter	.10	.10	0	.05
- Reports	.10	.10	.05	.05
- Annual Report	.15	.20	.05	.05
- Monographs	.05	.05	.05	N/S
<b>Policy Diffusion</b>				
- Symposia/'Trials'	.10	.05	N/S	N/S
- Academies	E/F	N/S	N/S	N/S
- Workshops	.10	.05	.02	.05
- Conferencing	.05	.10	.03	.05
<b>Multi-State Broker</b>				
- External Research	E/F	E/F	E/F	E/F
<b><u>INTERNAL RESEARCH</u></b>	.20	.10	.40	.30
Modernization	.10 = E/F	N/S	E/F	N/S + E/F
Colleges	.10 = E/F	N/S	E/F	N/S + E/F
Infrastructure	.10 = E/F	N/S	E/F	N/S + E/F
Regional Systems	.10 = E/F	N/S	E/F	N/S + E/F
Dependency Reversals	.10 = E/F	N/S	E/F	N/S + E/F
Tools, Capacities	.10 = E/F	N/S	E/F	N/S + E/F
Governance, Capacity	.10 = E/F	N/S	E/F	N/S + E/F

## KEY:

0.01 TO 0.99—SRPC FUNDED LEVELS OF FTE SUPPORT OF ACTIVITY; N/S=NOMINAL SUPPORT FOR ACTIVITY IN OTHER FTE; 0=NO SRPC FUNDED SUPPORT FOR ACTIVITY; E/F=EXTERNALLY FUNDED SUPPORT FOR ACTIVITY

TABLE III. Simplified Budget

Categories	Year One	Years 2-4 (@ year)
SALARIES AND BENEFITS+	\$327,250	\$327,250
CONSULTANTS (FELLOWS, OTHERS)*	92,000	92,000
TRAVEL	37,800	37,800
MEETING EXPENSES	-0-	*
ADMINISTRATIVE		
- STARTUP . . . . .	100,000	-0-
- ANNUAL . . . . .	135,275	135,275
UNC OVERHEAD** @ 15%	90,170	75,050
<b>TOTAL</b>	<b>\$783,295</b>	<b>\$667,375</b>

+Specific budget items, costs and amounts available in detailed budget

\* Funds for specific research or conferences to be proposed for subsequent years

\*\* Assumed rate; actual overhead to be negotiated

## ENDNOTES

<sup>1</sup>In a study of economic restructuring conducted by the UNC Institute for Economic Development, the previous unimportance of black labor:

...represents the whole constellation of factors beyond education that result from centuries of under-investment in the lives, homes and communities of black citizens that are known to affect economic prospects. It also reflects the legacy of racism practiced by individuals, businesses, and institutions that work subtly to disadvantage whole counties because of their racial composition. Until recently, this area of public policy was confined to [challenges in or by] the courts, human relations commissions, and private advocacy groups. It is now time for economic development planners to get professionally involved; the rapidly approaching shortage of [skilled] workers will place high value on available workers of all races and penalize local economies that do not actively seek out all available labor resources. ((page 15))

<sup>2</sup>A newly activated network of 1800 members includes two UNC people affiliated with SRPC, Professors Edward Bergman and John Boger, who are associated with the Poverty and Race Research Action Council. In addition to serving as a valuable network of potential partners and research scholars, the Council also offers small seed grants of \$10,000 to researchers; 35 have been approved as of the March 1992 newsletter Poverty and Race. We expect to become fully active in this network and encourage interested affiliates to join as well. ((p.16))

<sup>3</sup>For illustrative purposes only, the design team developed a list of potential colleagues or fellows of whom we have personal knowledge (see appendix). Their work and that of many others who would find collaboration with SRPC valuable will steadily expand the policy research community to include additional disciplines, campuses and research perspectives (see further discussion under Core Functions beginning on page 41).

<sup>4</sup>Comments pertinent to our design as directed originally to a proposed framework for studying rural issues within land grant universities include the following:

'Let me propose an alternative. Why not concentrate on developing multi-disciplinary regional study centers with complementary urban and rural components in non-land grant universities [emphasis in original], and provide demonstration grants for that purpose. In these universities such fledgling centers will not be constrained in their development by the traditional land grant university commitment to agricultural industries first and foremost as the main tool of development. Further, should such centers flourish, they may provide a much needed challenge to the land grant universities to rethink their entire approach to rural areas... A regional studies program, which trains both rural and urban oriented development practitioners together, teaching them to deal with issues of dependency both inside and outside the donut rings of suburban wealth that now exist around our metropolitan core centers, might offer the best chance of training students of rural issues as well. Also, a joint endeavor could help generate the clout necessary for impacting the ills that face both rural and urban America. Such an institute would better be able to assemble the bankers, corporate leaders, and other



movers and shakers of regional economies to consider solutions to both urban and rural poverty. Such a program could approach a variety of state legislative committees directly, rather than being automatically shuttled towards agricultural committees to get support for their ideas.' (Donald Dillman, comments on David L. Brown and Christine Ranney, "Multi-disciplinary Rural Studies in the Land Grant University Context," *The Rural Sociologist* : Pp. 16-17, Summer, 1991.) ((p. 28))

<sup>5</sup>Dillman's observations (1991, p. 17) continue:

'A prototype of such an institute (as yet without teaching functions) is represented by the Northwest Policy Center located at the University of Washington. It is explicitly oriented to both the cities and rural regions of the Northwest, and brings people together to get better understanding of the problems of each. This broad approach is one of the factors that has likely contributed to its success in obtaining large grants over the past four years to focus on problems of urban and rural development.' ((p. 28))