

Turning Points: Doing Rural Development Differently

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For me, it started in 1991 with Tupelo, Mississippi, and Vaughn Grisham. I was in the room when Grisham, then professor of sociology and director of the McLean Institute for Community Development at the University of Mississippi,¹ spoke to a small gathering of leaders representing the states that comprised the 1992 Commission on the Future of the South. A storyteller by nature, Grisham recounted in *truly* gripping detail how, starting in the 1940s, Lee County—then nearly the poorest county in the poorest state, Mississippi—started on its road to becoming the active core of what is today one of the most prosperous multi-county, multi-industry regions in the South.

But in 1940, Tupelo, the county seat of about 8,200 people, was still suffering from the Great Depression, as were its even more rural surrounding areas. Main Street businesses were struggling to survive. A new fellow in town, George McLean, publisher of the Tupelo Daily Journal, had a vision and a plan to help Tupelo and its neighboring rural communities prosper together. He approached downtown business owners about it, but at first they would not listen to this newcomer. Once he got to know them better through church and civic activities, McClean tried again. One by one, he asked Tupelo business owners a pivotal question—*How would you like to double your earnings over the next year?*—and got the predictable “Sure would!” answers. McLean helped them collectively see that if their customers did better—many of whom were poor farmers in the surrounding areas—the Tupelo businesses would do better as well.

Thus began a collaborative effort among people in Tupelo and its surrounding smaller communities to invest time, energy and innovation in one another. Farmers switched from growing cotton—a risky annual crop subject to weather and infestations, which kept farm families from spending much till the harvest came in—to producing dairy products, which provided a more predictable weekly income they could spend regularly with less worry. Downtown business owners aided this shift by creating an investment pool to import a few high-quality bulls, engage a dairy expert, and reduce the cost for local farmers to implement the innovative practice

of artificial insemination for cattle breeding—one of the earliest known uses of that practice in the United States. The effort quickly added \$2 million to the region’s economy. It also seeded the trust, the understanding of shared lot and common cause, and the inventive energy that sparked more and more regional collaborations. The area soon embedded that ethos in strong and supportive regional economic and community development organizations (at first, Rural Community Development Councils, working together in Black, white and racially mixed rural areas, and then the Community Development Foundation and the CREATE Foundation, among others) that sought to keep the region vital, connected and looking ahead.²

Listening to Grisham that day sparked my recognition that the same community and economic development principles that propelled what has come to be called “The Tupelo Story” are evident in almost every productive and equity-seeking rural development effort I had seen before—and the same is true for all I have seen since. It has led me to learn, from and with creative development practitioners in rural and Native places around the country, that there is a way to “do economic development differently”—that is, to shift from the risky “winner takes all” approach that is heavily reliant on a business-recruitment strategy to a “let’s all win” approach of building on a region’s existing, underutilized assets. It is an approach that believes we can work together to get ahead together. The principles for doing economic development differently are rooted in the cogent thinking and resourceful doing of many.³ Some have contributed other chapters to this book. The principles are stated in slightly different terms by different observers and doers. But **they all come down to tailoring economic and community development efforts to the local context by understanding a community’s assets—its “starting point”—and learning how best to connect and leverage those assets to meet and create progressively greater opportunity over time.**

Tailoring community and economic development efforts to the existing assets of a place and the real economic opportunities that exist right now and for the foreseeable future is not cookie-cutter work. Nor is it generally taught in school—especially in relation to rural development. It demands rooted, sustained, rural-based organizations and intermediaries, along with

resources that they can use flexibly, which have been hard to come by from government, the philanthropic sector or private investors.

To spark more thinking and understanding about the conditions that require and facilitate this tailored approach to doing economic development differently in rural communities, I offer six realities and action principles that, once I came to understand them, became turning points in my own thinking and doing. I offer them in hopes they will turn more heads and hearts to contribute in more productive ways to the breadth, depth and future of rural enterprise.

1. Every rural place, economy and community has a different variety and volume of assets.

I grew up in Detroit. I have also lived in San Francisco and Chicago briefly and in Washington, D.C., for decades. No one would confuse any one of these four cities with one another, or suggest that their physical attributes, economies or populations are the same.

Yet too many easily and oddly lump all of rural America together as one place unto itself, and seem to believe that whatever ails it would benefit from one-size-fits-all solutions.

Of course, rural places and regions vary a great deal. There are booming rural places and those in decline. There are rural economies based on manufacturing, recreation, energy generation, food production, health care, education, forestry, tourism, the arts—and every possible mix of those (and more). There are rural communities nestled

THE EIGHT COMMUNITY CAPITALS/ASSETS

- **Individual:** Skills, understanding, physical health and mental wellness of a region's people
- **Intellectual:** Knowledge, resourcefulness, creativity and innovation in a region's people, institutions, organizations and sectors
- **Social:** Trust, relationships and networks
- **Cultural:** Traditions, customs, ways of doing things, and world views
- **Natural:** Natural resources; e.g., water, land, air, plants and animals
- **Built:** Constructed infrastructure; e.g., buildings, sewer systems, broadband, roads
- **Political:** Goodwill, influence and power that people, organizations and institutions in the region can exercise in decision-making
- **Financial:** Monetary resources available in the region for investment

in the mountains, on the plains, along rivers and coasts. There are rural regions with immense wealth, and others with concentrated poverty—sometimes sitting side by side, just as in cities. There are rural places with majority Black, Indigenous or Latinx populations, some that are largely white, and everything in between (one in five rural people is a person of color). There are rural places stymied by historic and lingering deep divides, and some where social capital is strong enough to propel almost any good idea. There are rural places with world-class universities and health systems, and some where residents have to drive hours to attend a college class or see a doctor.

But *all* these rural places have plenty of assets. The assets go well beyond financial. In fact, if all a community had was a bag of money sitting in the middle of town, and no other assets, that bag would just sit and nothing would come of it. It is the other seven types of assets—*individual* well-being, *intellectual* know-how, *social* trust and networks, *cultural* heritage and respect, *natural* resource base, *built* infrastructure, and *political* influence and reach—that must be wielded to turn financial capital into something more.⁴ Those seven assets—their quantity, condition and mix—are thus much more important than money, and they have a different starting point in each place. So although not every rural community is the same, they all can build from a base of assets.

2. Local analysis and know-how, conducted by and engaging the full range of people in a rural place, are critical.

In the 1990s' world of domestic economic development, community business incubators became a "thing." A few pilot incubators experienced some early success. As a result, many communities, rural and urban, rushed to build one of their own, and a raft of workshops and guides were funded to help them learn how. Incubator buildings provided small spaces for startup businesses and offered shared equipment, meeting space and, in some cases, business advisory services. Incubators were meant to reduce cost, foster innovation and speed startups toward initial stability and then growth. Some incubators became important resources in their communities. Others stood empty and never took off. The variation in those outcomes might have had to do with luck in some cases, but the decision to establish an incubator surely could have benefited from

an analysis at the outset that asked this question: *Based on what we know about the assets and activity and aspirations in our community at this point in time, will an incubator help?*

The truth is, a field-of-dreams quality often accompanies what is “flown into” rural communities as “what will work” to foster community and economic development. Ideas and processes and innovations elsewhere are touted as silver-bullet answers for rural community development by outside advocates—well-meaning as they may be—without the benefit of consulting the community for an analysis of its situation. Government and philanthropy will fund “X” when a community needs “Y,” but communities go for it because it is the only funding available, and many thus divert their time and energy from strategies with more potential. Or private and public investors offer loans only of certain types, for specific business or enterprise categories, or that must meet some performance mark, many of which are often unrealistic for rural places, if only because of population size.

The opposite approach is demonstrated by the tagline of the Black Belt Community Foundation in Alabama: *Taking What We Have To Make What We Need*. In short, to combine, leverage and utilize assets well, a community or region must analyze its starting point. There is no good or bad starting point; there simply is what a rural community or region has to start with at this point in time, which changes over time.

So, the first job of rural development is to understand that starting point—before selecting a strategy and acting. What is true about the community’s or region’s current assets: their quantity, their quality, how they are or are not connected, and aspirations for them? Data are important here, because data often counter the conventional wisdom—that is, what people, both inside and outside the community, mistakenly *think* is true—about who lives here, how people are doing, what the real economic and resource base is, and emerging trends. Of course, good rural data are hard to come by, but that is beyond the scope of this chapter.

The point is that data simply sit in tables unless people from across a rural community are at the table to make meaning of the data. If we have unfilled jobs but high unemployment, is that because people need training for those jobs; or is it because they have no transportation, or

perhaps child care; or is it because the company two counties over is paying its workers a family-supporting wage and drawing people away? If local small manufacturers are just getting by, is it because they lack market knowledge, or the right workforce; or is there a gap in their capital stack? If tourism is a growing sector, what other recreational and cultural resources do we have that we might connect to it, so that visitors stay overnight more? And, oh by the way, does that mean we need more lodging options? Without bringing people together and talking about what the real barriers may be, or about connections they see that could unleash opportunity, or about their dreams for themselves and the community, economic development efforts are flying blind. They also likely lack the community energy and buy-in that are necessary to succeed over the long term.

3. **Identify and learn all you can about connective opportunity.**

WealthWorks, in its approach to community and economic development, has its own instructive tagline: *Connecting community assets to market demand to build lasting livelihoods*. Indeed, once rural communities and regions understand their assets and starting points, they can better answer these key development questions:

- **Current ability:** What do we already know how to do or make in our place? What is keeping us from doing more of it, or doing it better?
- **Potential ability:** What else could we feasibly learn to do or make? What is keeping us from doing that?
- **Market demand:** Who in the world wants the products or services that we already—or could—make or do in our rural place? What qualities are they looking for in those products and services?
- **Opportunity gaps:** What new connections and resources and know-how do we need to weave into our asset mix **both** to meet that market demand **and** to strengthen our rural place, people and future prospects?

The repeated cycle of answering these questions and devising ways to find opportunities and address gaps is what the practice of economic development truly should be. It is constantly looking and assessing inward, and reaching outward to potential customers and researching trends, so as to

assemble what it will take to (1) meet documented local and outside market demand for what the community can organize its doers to produce or provide, while (2) strengthening community assets and well-being for more people in the region.

4. Design and measure for “development success”—defined differently.

That brings us to: “What are we doing development *for*?” The traditional world of economic development in recent decades has generally defined development success as job creation and retention, profit, financial return on investment to shareholders, and business starts. These are surely worth measuring, but they ignore many of the assets essential for future development. And they typically neglect the important component of “for whom?”

True development success, better defined, meets Indigenous design wisdom: Think forward seven generations, and act in their interests.⁵ It does so intentionally by producing and tracking three types of outcomes:

- **Grow the stock and strength of the eight types of assets/capitals.** One objective of economic development should be to increase the quantity, quality and connective tissue between as many of the community capitals as possible. What you don’t want to do is damage or deplete any of the capitals in a way that will endure or be irreversible. In short, you want to create a new and better starting point for whatever you do next. This only makes sense: Producing something over the short term that quickly depletes a vital stock of nonrenewable natural resources or that harms the health and vitality of workers and families will likely strap the long-term future of a community—a common situation that has hurt rural America. For prosperity to endure across generations, communities must maintain and strengthen the health of their assets.
- **Root ownership and control in the region.** Rural communities need people, organizations and businesses in the community to have the power to make decisions about the use of the community’s assets. Thus, local ownership of those assets is important—whether, for example, that means actual ownership of land or business assets, or whether it means local

people acquiring and “owning” new skills that can help support the community’s efforts without the need to hire outside expertise.

- ***Improve livelihoods for those currently living on the margins.*** Back at the start of the Tupelo and Lee County efforts, the region’s leaders came quickly to the understanding that “when we all do better, we all do better.” And they specifically designed their efforts to make sure that the people whose livelihoods were most at risk were able to improve their incomes and financial stability. They intentionally addressed “for whom” in their initial design. Helping people on the social and economic margins advance via development efforts—and thus reducing local wealth inequality and the effects of historic and systemic race, place or class discrimination and oppression—is almost always possible. But its success relies on intentionally engaging those community members in the analysis of barriers and opportunities at the front end, and on intentionally choosing a design that will improve well-being for more people, even if it means less “win” for the “already-haves.”

Designing every rural development effort to produce some measure of these three outcomes—and using these as measures of success—will go further in making things better in rural places than the standard operating measures of jobs created, loans made and businesses started. What’s critical to realize is that the indicators for these outcomes will vary by development effort, and the community is the actor that must define meaningful progress from its starting point. Government and philanthropy have tended to impose measures based on their own program aspirations for scale and their sense of what qualifies as success. Rural communities and regions must define success for themselves, and outside resource providers and investors must work with rural communities to understand and agree to their measures.

5. *Work at the regional “action-scape” of the challenge or opportunity.*

Back to my opening story. Those Tupelo business owners who were just getting by were not going to do better all by themselves. Nor were the struggling farmers in the surrounding region. They needed each other for a solution. So the locals crossed boundaries to find a mutually beneficial strategy and then implemented it—and have expanded to many surrounding counties to do the same ever since.

Rural development, likely more than urban development, benefits from looking at the geographic scope needed to take significant and sustainable action and to have significant and sustainable effect. Does it make sense to try laboriously to lower school supply and contract costs school by school when a joint purchasing and maintenance contract among four adjoining county school districts could do the job more efficiently? Training welders in high demand by local small manufacturers benefits from a cross-community effort. Tourist numbers in a region increase when the Dew Drop Inn in County X cross-promotes the state park's mountain biking trails the next county over, and vice versa—and increase even more when local high school or college students help upgrade the food, lodging and recreation websites in their entire region, rather than in just their one town.

In short, tailoring rural community and economic development requires an analysis of what I call the “action-scape.” That, in short, is the commonsense geographic area that will bring the critical mix of assets and useful partners to the table to have the most positive impact on the challenge or opportunity. Action-scape can be influenced by many criteria; for example, commuting zones, watersheds, media markets, or the scale it takes to become “investable” for whatever opportunity the region is pursuing. The action-scape will be different for different issues and for different regions. Productive action-scapes take into account the potential for strengthening the eight types of capital, for increasing ownership and influence over them, and for ensuring greater well-being for more people who have been overlooked or left out in the past. Working via action-scape requires more collaboration and generosity of spirit, but generally reaps greater rewards.

6. *Strengthen rural development hubs to strengthen rural development ecosystems.*⁶

I have traveled to every state in the Union and am often in rooms full of new work acquaintances. It is natural to ask, “Where are you from?” People often answer something like “The Valley” or “The Range.” In my home state of Michigan, where the lower peninsula is shaped like a mitten, people sometimes answer: “I live in The Thumb.” Geographic-area identities like these are based on having many things in common:

economic base, highways, natural features, people with a similar sensibility, media markets or perhaps some significant history. They likely have similar challenges and opportunities. But something keeps them from easily joining forces and acting together. The Thumb, for example, has multiple cities, towns, sewer districts, school districts and other public jurisdictions. But *there is no government of The Thumb*. There is no one assigned as decision-making body for The Thumb as a whole. There is no shared revenue base that the residents or jurisdictions can use to invest in themselves together.

In rural places, this is a problem. Individual community action is essential and desirable. But it is too hard and expensive for every small community to tackle every challenge that comes its way. And it makes no sense to address every opportunity common to a region community by community, especially when working together will get them further faster. As Mike Clayborne, president of the CREATE Foundation in Tupelo, recently offered: “When you look at how a region functions, these imaginary lines of cities and counties don’t mean a lot in terms of economic development and how people are able to better themselves.”⁷

So, the question is: Who “holds that whole” for rural regions? In some places, no one. In others, the innovation and regional action is coming from what the Aspen Institute Community Strategies Group has dubbed “rural development hubs.” A hub is a place-rooted organization working hand in glove with people and organizations within and across a region to build inclusive wealth, increase local capacity and create opportunities for better livelihoods, wealth and well-being. Hubs are regional organizations whose mission, whether stated or not, has essentially become “doing development differently.” For at least a few critical regional issues that hubs’ limited resources allow them to address, their work aligns with the approaches I have described above, and their results show it. Where they exist, hubs are filling a large and critical gap in the development ecosystem in rural America by bringing actors together to work across issues, across places and jurisdictions, and across vested interests to analyze, connect and leverage local assets in ways that improve regional outcomes and future prospects.

Hubs are not an official designation; they are simply a role that any type of organization can fill. A hub might be, for example, a community action agency (CAA), community development financial institution, community foundation, community college, United Way agency, regional development district, chamber of commerce, community development corporation, or something else. Sometimes it is a “unicorn” organization that comes into being specifically to address regional issues. Different types of organizations morph into hubs in rural places precisely because they work in rural places.

The hub model is particularly suited to rural regions because individual rural jurisdictions tend not to have as many issue-specific organizations, or the wide range of useful and needed functions across organizations, as urban places. And, as already noted, regions have no government in which to center action. So, rural regions need some entity to act as a coordinator that can identify assets, gaps, partners and resources, and bring them together to solve problems and capitalize on an opportunity. The organization that steps into that role will differ in each region based on that region’s unique history, the opportunities and struggles that are present, and the gaps that need filling. For example, if a rural region happens to have an able community foundation but no financial institution that does gap lending to local businesses, the foundation might learn to do lending. Likewise, if a CAA sees the need for affordable workforce housing, but there is no community development corporation or anyone else supplying it in the region, the CAA may become a housing developer. Many hubs, in short, evolve into flexible and innovative intermediaries by taking on the functions that organizations of other types would be doing if the region had them. Hubs become the Swiss Army knives of rural development in their regions.

Toward True Rural Development Ecosystems

The six realities and action principles above, derived from Grisham’s observations and underlined by decades of my own, highlight the importance of tailoring rural development approaches to the assets, actors and goals of specific communities and regions. Whether it is learning about

the assets of the place, ensuring the community has a voice in shaping the approach, identifying the opportunities that exist in that specific place, defining useful measures of success, acting at the right geographic level, or organizing collaborative action in that location, it is all about being place-conscious.

However, to tailor rural development, a rural place needs a tailor. In the United States, we have and will continue to face significant challenges advancing rural regions until we catalyze and sufficiently fund and utilize the capacity of the “glue” organizations and initiatives that are acting as rural development tailors—bringing people, organizations, businesses and assets together to function as a well-performing rural development ecosystem. Such a rural development hub organization has these attributes:

- It is **collaborative** and seeks to maximize and strengthen all types of capital.
- It is **flexible** enough to seize opportunities.
- It **serves all** people, businesses and organizations in the area.
- It analyzes assets and potential with a **systems** lens.
- It acts at the **regional geographic scale** that makes sense for the issue or opportunity.
- It supports efforts that will **build other long-term assets** for individuals and the broader community.
- It is **grounded in reality** and is demand-based.

Short of developing a nationwide system of regional governments, we must rely on innovative, scrappy, resource-strapped organizations that are cobbling together whatever they can to function as rural development hubs. If we strengthen the capacity and flexible agency of these on-the-ground experts, and build more of them, we will construct a better rural development ecosystem—and a better future for rural people and places, and for the nation as a whole.

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Endnotes

- ¹ The institute's name has since changed to the McLean Institute for Public Service and Community Engagement.
- ² See Grisham and Gurwitt.
- ³ See Kretzmann and McKnight, Flora et al., University of Nebraska–Lincoln, WealthWorks, and Ratner.
- ⁴ This version of the Eight Capitals (or Assets) is advanced by the WealthWorks approach. Its roots include ideas from both Kretzmann and McKnight, and Flora et al. (See endnote 3.)
- ⁵ The Seventh Generation Principle dates back more than 600 years to The Great Law of Haudenosaunee Confederacy. (The Haudenosaunee are commonly known today as the Iroquois.) See Indigenous Corporate Training.
- ⁶ See Aspen Institute.
- ⁷ *Ibid.*, p. 18.

