

CREATING ECONOMIC OPPORTUNITIES

WINTER 2004 NEWSLETTER # 57:

IDEAS YOU CAN USE:

Governor Kathleen Sebelius, connected education and economic development in her State of the State address on Monday night, January 12th. The following essay is written to help clarify the connection.

First, economic development is purposeful. From the author's perspective, economic development is a process of accumulating all forms of capital for the purpose of producing products to enhance the quality of life of residents of Kansas. *This is in stark contrast to the perspective that economic development is a process of exploiting the assets in Kansas to enhance the profits of business and industry.*



A man is called selfish not for pursuing his own good, but for neglecting his neighbor's. - Richard Whately

Life is the acceptance of responsibilities, or their evasion; it is a business of meeting obligations, or avoiding them – Ben Ames Williams

Economics is the study of the allocation of scarce resources to the human activity of investment, production and consumption. The purpose of these activities is to meet human needs and wants. Every society has to decide what should be produced and what resources should be allocated to each production process. Also, society has to decide how much should be produced and who gains from the production of goods and services. These allocations of rewards address the goal of equity.

Resources, assets, and capitals can be all synonymous. The following are five broad classes of capitals. The first is human capital. The next is engineered capital. This is the creation of humans including the built environment (roads, buildings, cable TV lines, etc) and the institutions humans have created to run society (the banking system, the public school system, etc.). Next is financial capital, and then comes social capital. Social capital is measured by the quality of the environment that encourages people, organizations, and businesses to work together. Through partnering efforts more products are produced. Thus, social capital is high when people trust each other enough to come together to collaborate and create win-win outcomes. Finally, the last capital is natural capital. Natural capital is defined as the natural resources of Kansas. The Governor correctly

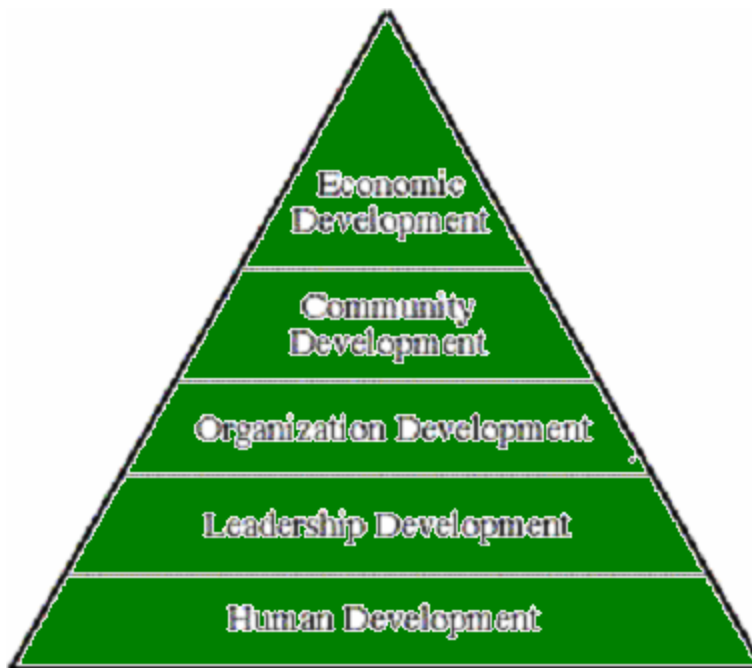
connected human capital accumulation to economic development.

Economic development is a local and regional phenomenon. Kansas has many economies and some spread out across three states. Economic development is a subset of community development. Community development comes out of efforts by local governments, not-for-profit organizations, and local businesses. Leaders provide guidance to these three.

And well-trained leaders in Kansas usually are trained in public schools in Kansas. Thus, the future of the Kansas economy depends on a well-educated citizenry.

Another way to view the connection between the economic development and education is presented in the Tupelo Model that follows.

The Tupelo Model



Source: From the case study Hand in Hand: Community and Economic Development in Tupelo by Vaughn Grisham and Rob Gurwitt.

The Tupelo Model outlines the successful building of an economically viable community with a broad base including all the human resources in the community.

Main Principles of the Tupelo Model

1. Local people must address local problems.
2. The community development process begins with the development of people and each person should be treated as a resource.

3. The goal of community development is to help people help themselves.
4. Meet the needs of the whole community by starting with its poorest members and design efforts to help these people.
5. Leadership is an important part of community development. Community development cannot be achieved without organizations and structure.
6. Community development must be done both locally and regionally if the full benefits are to be achieved.
7. The community development process must never be turned to an agency that does not involve the people of the community.
8. Expenditures for community development are an investment and not a subsidy and will return gains to investors. So people with money have both responsibility and an interest in investing in the development of their own community.

Developing the community – connecting its people and its institutions – lays a base for balanced and sustainable economic development. To build the kind of economic development that is good for a community, developing the community itself must be the first step.

Based on information from Brushy Fork Institute Website- www.berea.edu/brushyfork

Date Book: The Buffalo Commons Revisited: Conversations about the future of the Great Plains with the Poppers and Sec. Mike Hayden on February 11, 2004 2:30pm to 4:00pm in Forum Hall, Student Union, Kansas State University, Manhattan, KS.

My Pearl Collection: One definition of a good community is – a place where residents can easily meet their basic need and this frees them to pursue higher level ones. Progress is impossible without change, and those who cannot change their minds cannot change anything – George Bernard Shaw

K-State Research and Extension: David L. Darling and Sreedhar Upendram, January 2004.

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