

IDEAS YOU CAN USE:

Economic Development  
Perspectives

A colleague from Canada brought to my attention a book that has some challenging ideas worth sharing. The authors of *Theories of Local Economic Development*, Richard Bingham and Robert Mier, discuss community economic development in metaphorical terms. Their ideas inspired the writing of this essay.

When plans and actions are being put in place to expand the local economy, those involved should be asking the following two questions:

1. *Economic development for whom?*
2. *Economic development for what purpose?*

Do the proponents of growth and development want the existing population of area residents to be the ones who exclusively gain from new job and incomes opportunities? Who in the community should be targeted; graduating high school students, graduating community college students, women in or out of the work force, men who are underemployed, or retired people

who need part-time work for extra income? Maybe the new jobs will attract new families to town. Then, those who gain are retail business owners, real estate agents, home sellers, bankers, the utility companies, the newspaper owner, developers, builders and alike.

Community economic development, according to Bingham and Mier, can be viewed as a metaphor. Below is their list. They encourage readers to add to the list.

1. It's like building a growth machine.
2. It's a problem solving process.
3. It's like running a business.
4. It's a way to tap into the human potential in the community.
5. It's a means to preserve our community and pay for ecological systems maintenance and improvements.
6. It's a quest for more social justice

Most of the old timers in the economic development profession will state that economic development is a process of expanding job and income earning

opportunities. Some will even go further and talk about the creation of quality jobs for the new era, the *information age* economy. The bankers, developers, builders, real estate brokers, utility managers, and retail owners think of the community as a set of fixed assets that can be further exploited such as vacant land, empty houses, untapped potential within the electric and cable TV systems. Their idea of development is to have underutilized resources put to higher and more profitable uses. Local city and county government officials are often allied because of the obvious tax revenue advantages.

Economists define economic development as *the accumulation of capital*. Capital is the *produced means of production*. Examples are educated people, accumulated information, machinery and equipment, roads and bridges, and institutions such as the public school system. All of these are the creations of humans.

Another perspective on growth and development is the distinction between the two. Growth can be defined as the expansion of community dimensions that are in place. If a city has a retail mall, then growth of the mall occurs when more retail space is added. Development can be defined as the creation of new capacities to proactively improve the community. For example, a new community foundation can give the city the ability to tap into resources that were previously lost. When families give to the community foundation either through an estate settlement or at other times, the financial

resources can be put to work for the good of all residents.

An ideal strategic plan for building a healthy economy is a plan that has many positive outcomes. Every citizen should find something in the plan that they can personally support. See the *Economic Development Pyramid* on page 3 for further guidance.

PUBLICATIONS YOU CAN USE

#### PUBLICATIONS YOU CAN USE

"THE 1997-98 STRENGTH INDEX" is an annual publication that presents a measure of the prosperity of residents in all 105 Kansas counties. The Strength Index (SI) is made up of three other measures, the Wealth Index (WI), the Employment Index (EI) and the Personal Income Index (PII). Each one is given equal weight in the overall SI. The SI numbers are ranked from high to low so that each county is given a rank. The reader can then compare one county to a like county or a county that may include a larger trade center.

# Economic

# Development Pyramid

## **Attraction:**

Hunt and bag prospective business and industry.

## **Capture Dollars:**

unearned monies, such as Social Security payments.

## **Local Linkages:**

Improve buy/sell relationships in town.

## **Firm Creation:**

Develop new businesses & economic opportunities.

## **Retention & Expansion:**

Retain existing businesses and help them grow.

## **Entrepreneurial Environment:**

Be receptive to new business concepts and improve the atmosphere that fosters economic health.

## **Building Effective Partnerships:**

Develop a trust between public and private sectors to build a spirit of cooperation.

## **Superior Leadership and Efficient Local Government**

Start at the bottom, with a firm foundation, to build a successful economic community.

*David L. Darling, Kansas State University*

See MAP 1 on page 5.

Johnson County is ranked number 1. The next nine counties, in descending order, are Saline, Ellis, Wichita, Haskell, Shawnee, Stanton, Douglas, Miami, and Sedgwick. This report differs from last years in one significant way. The 1998 population of prisons is removed from the estimated 1998 county populations. This adjustment improves the ranking of the following counties; Butler, Cowley, Ellsworth, Greenwood, Leavenworth, Miami, Norton, Pawnee, Reno, Rooks, Sedgwick, and Shawnee.

The report is posted on the Internet:

[www.agecon.ksu.edu/ddarling](http://www.agecon.ksu.edu/ddarling)  
Also, copies can be obtained from your Extension office.

#### Extension Bulletins Available

Four bulletins have been published in the series  
ALeadership for Healthy Communities@

#### PEARL COLLECTION

APersonal freedom is the feeling of power to continually reinvent oneself self.@ We should all feel free and empowered to grow and develop to keep pace with the ever-changing world around us. (Paraphrased from a statement by Mike Cuthbert as heard on PBS Radio, Sept. 30, 1999)

ACharacteristics of Healthy Communities,@ MF-2064 (July 1996) by David L. Darling and Gayla Randel

AAlternative Planning Procedures,@ MF-2122 (May 1995) by David L. Darling and Ensley J. Sisk

AWorking with the Power Constituents in Communities,@ MF-2225 (August 1995) by Donald B. Erickson

ABuilding a Healthy Retail Community: Lessons from Little Giants in Kansas,@ MF-2325 (April 1998) by David L. Darling

One new bulletin has been published in the series  
ABuilding Healthy Communities@

AAnalyzing Local Markets,@ L-745 Revised (September 1998) by David L. Darling

These are available from your local Extension office or from David L. Darling.

Eleanor Roosevelt is reported to have said "Great minds discuss ideas. Average minds discuss events. Small minds discuss people. "

#### DATE BOOK

The annual *Four State Heartland Conference* will be held in Muskogee, OK  
Date: November 4 and 5, 1999

Theme: **Water Matters for  
Community Development**  
Location: The Ramada Inn in  
Muskogee. Call (918) 682-4341  
and state the conference name  
for lower rates.  
Conference registration is \$60.  
Brochures are available at  
county offices in SE Kansas.  
WEB Site:  
[www.uark.edu/gmss/watermatters/](http://www.uark.edu/gmss/watermatters/)

The next *Rural Policy Symposium*  
will be held in Manhattan.

Date: December 7, 1999  
Theme: **Partnerships: Using  
Technology to Shape the Future  
of Kansas**

Time: 8:30 a.m. -  
Registration  
9:00 a.m. - Call to Order  
3:00 p.m. - Adjourn

Location: The Big 12 Room, KSU  
Union, Manhattan  
Fee: Not yet set

### Introducing Dr. Tom Garrett

Dr. Garrett is a new Extension specialist hired by the Department of Agricultural Economics at Kansas State University. He is a recent graduate of West Virginia University in Morgantown. With his degree in Economics and his specialization in public finance, he is a welcome addition to the team of Extension economists.

Dr. Garrett is now developing outreach programs of one to two hours in length for elected officials on topics related to state and local public finance. Some examples of specific topics are the following:

1. Tax policy assistance for local officials
2. Inefficiencies of taxation
3. Tax shifting
4. Cross border effects of taxation
5. The political aspects of taxation
6. Growth and variability of tax bases and tax revenues
7. The revenue impacts of a tax change

He will be happy discuss working with anyone interested in his new Extension program. You can reach him through your local Extension office, by phone at (785) 532-3526, or by e-mail: [tgarrett@agecon.ksu.edu](mailto:tgarrett@agecon.ksu.edu).

|                        |                       |                        |                        |                        |                        |                        |                         |                          |                        |                            |                           |                          |                           |                         |
|------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|--------------------------|------------------------|----------------------------|---------------------------|--------------------------|---------------------------|-------------------------|
| Cheyenne<br>21<br>2.80 | Rawlins<br>87<br>2.36 | Decatur<br>70<br>2.43  | Norton<br>49<br>2.56   | Phillips<br>55<br>2.53 | Smith<br>72<br>2.42    | Jewell<br>82<br>2.39   | Republic<br>44<br>2.62  | Washington<br>76<br>2.40 | Marshall<br>41<br>2.64 | Nemaha<br>14<br>2.94       | Brown<br>59<br>2.51       | Doniphan<br>81<br>2.39   |                           |                         |
| Sherman<br>15<br>2.93  | Thomas<br>18<br>2.86  | Sheridan<br>16<br>2.92 | Graham<br>95<br>2.25   | Rooks<br>45<br>2.61    | Osborne<br>77<br>2.40  | Mitchell<br>28<br>2.70 | Cloud<br>74<br>2.41     | Clay<br>31<br>2.69       | Riley<br>52<br>2.56    | Pottawatomie<br>33<br>2.67 | Jackson<br>29<br>2.70     | Atchison<br>92<br>2.29   |                           |                         |
| Wallace<br>93<br>2.29  | Logan<br>35<br>2.67   | Gove<br>69<br>2.44     | Trego<br>38<br>2.66    | Ellis<br>3<br>3.22     | Russell<br>61<br>2.49  | Lincoln<br>80<br>2.39  | Ottawa<br>53<br>2.54    | Dickinson<br>46<br>2.61  | Geary<br>65<br>2.47    | Wabaunsee<br>20<br>2.81    | Shawnee<br>6<br>3.07      | Jefferson<br>19<br>2.82  | Leavenworth<br>42<br>2.63 | Wyandotte<br>84<br>2.37 |
| Greeley<br>62<br>2.49  | Wichita<br>4<br>3.17  | Scott<br>17<br>2.88    | Lane<br>79<br>2.39     | Ness<br>60<br>2.50     | Rush<br>75<br>2.40     | Barton<br>32<br>2.68   | Ellsworth<br>63<br>2.49 | Saline<br>2<br>3.31      | Morris<br>51<br>2.56   | Lyon<br>34<br>2.67         | Osage<br>48<br>2.58       | Douglas<br>8<br>3.04     | Franklin<br>37<br>2.67    | Miami<br>9<br>3.04      |
| Hamilton<br>22<br>2.80 | Kearny<br>25<br>2.73  | Finney<br>40<br>2.65   | Hodgeman<br>86<br>2.37 | Pawnee<br>64<br>2.48   | Edwards<br>50<br>2.56  | Stafford<br>88<br>2.35 | Rice<br>96<br>2.24      | McPherson<br>11<br>2.98  | Marion<br>71<br>2.43   | Chase<br>78<br>2.39        | Coffey<br>56<br>2.53      | Anderson<br>90<br>2.33   | Linn<br>101<br>2.08       |                         |
| Stanton<br>7<br>3.05   | Grant<br>30<br>2.70   | Haskell<br>5<br>3.08   | Gray<br>13<br>2.96     | Ford<br>36<br>2.67     | Kiowa<br>83<br>2.38    | Pratt<br>47<br>2.60    | Reno<br>23<br>2.80      | Harvey<br>24<br>2.76     | Butler<br>27<br>2.72   | Greenwood<br>103<br>2.01   | Woodson<br>104<br>1.89    | Allen<br>99<br>2.19      | Bourbon<br>97<br>2.22     |                         |
| Morton<br>39<br>2.65   | Stevens<br>12<br>2.96 | Seward<br>26<br>2.72   | Meade<br>54<br>2.54    | Clark<br>43<br>2.63    | Comanche<br>85<br>2.37 | Barber<br>94<br>2.25   | Kingman<br>57<br>2.53   | Sedgwick<br>10<br>2.99   | Sumner<br>67<br>2.44   | Cowley<br>66<br>2.45       | Elk<br>102<br>2.04        | Wilson<br>73<br>2.41     | Neosho<br>68<br>2.44      | Crawford<br>58<br>2.52  |
|                        |                       |                        |                        |                        |                        |                        | Harper<br>89<br>2.33    |                          |                        |                            | Chautauqua<br>105<br>1.82 | Montgomery<br>91<br>2.31 | Labette<br>98<br>2.19     | Cherokee<br>100<br>2.15 |