Four Considerations

- The New Rural Policy Framework: An Emergent Global Consensus
- The Current US Rural Policy Context
- The Role of Higher Education in Regional Rural Innovation
- Final Concerns and Considerations: A Michigan Perspective
The New Rural Policy Framework: An Emergent Global Consensus

- Realigning, and better integrating agriculture, safe and healthy local food systems, environmental sustainability and rural economic development
- Moving from sectoral, through multi-sectoral, to regional considerations
- Addressing the asymmetry between top-down and bottom-up “workings”
- Building local evaluative frameworks which actually influence central government action
- Valuing participatory process concerns as well as cost effectiveness considerations
The Current U.S. Rural Context
“The social and economic institutions of the open country are not keeping pace with the development of the nation as a whole . . . ”

- President Teddy Roosevelt’s Country Life Commission
“If you do the same things, over and over, you’ll probably get the same outcomes!”
Critical Components in the Current U.S. Rural Policy Context

- Federalism and Regional / State / Local Policy Dynamics
- Rural / Urban Constituency Convergence
- New Governance, Innovation and Entrepreneurship Development Systems
- Landscape, Culture, Heritage and Arts as Asset-Based Development Drivers
- Defining and Driving a New Rural Vision
Regional Rural Innovation

- Federal Departmental Collaboration / Funding Alignment
- Federal / State / Regional / Local Cooperation (Programs / Funding)
- Incent Public / Private / Philanthropic Investment Cooperation
- Regional Framework
- Innovation / Entrepreneurship Focus
- Attention to Diversity, Gender, Poverty and Immigration Concerns
Support Key Operational Principles

- Asset-Based Development
- Flexibility / Local Input
- Research / TA: Public Decision Support Tool
- New Systems of “Thinking and Doing” in an Integrated Framework
- Attention to the Importance of Working Landscapes
  - Natural Resources
  - Arts / Heritage / Culture
  - Renewable Energy and Entrepreneurial Agriculture
  - Healthy, Local Food Systems
Three Critical Questions

- Will public sector champion(s) step forward?
- Will institutional innovator(s) accept the challenge of building new intermediary structures?
- Will new constituencies to support these innovative leaders and institutions?
The Role of Higher Education in Regional Rural Innovation
Four Key Questions

1. Why is regional competitiveness the new framework for economic development?
2. What must regions do to compete?
3. How to connect innovation with regional development?
4. What policy initiatives are needed?
Four Key Questions

1. Why is regional competitiveness the new framework for economic development?

2. What must regions do to compete?

3. How to connect innovation with regional development?

4. What policy initiatives are needed?
Globalization makes regions the athletes in the global economic race.

The impact of globalization is greater for regions than for nations.
The impact of globalization is greater for regions than for nations.

From 1998 to 2003 employment growth varied significantly among OECD countries.


<table>
<thead>
<tr>
<th>Country</th>
<th>Growth Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>4.0%</td>
</tr>
<tr>
<td>Ireland</td>
<td>3.8%</td>
</tr>
<tr>
<td>Canada</td>
<td>2.3%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2.3%</td>
</tr>
<tr>
<td>Korea</td>
<td>2.2%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2.2%</td>
</tr>
<tr>
<td>France</td>
<td>2.0%</td>
</tr>
<tr>
<td>Australia</td>
<td>2.0%</td>
</tr>
<tr>
<td>Greece</td>
<td>1.6%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1.5%</td>
</tr>
<tr>
<td>Italy</td>
<td>1.5%</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.4%</td>
</tr>
<tr>
<td>Finland</td>
<td>1.3%</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.2%</td>
</tr>
<tr>
<td>Iceland</td>
<td>1.2%</td>
</tr>
<tr>
<td>Hungary</td>
<td>1.0%</td>
</tr>
<tr>
<td>Belgium</td>
<td>1.0%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.0%</td>
</tr>
<tr>
<td>United States</td>
<td>0.0%</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.0%</td>
</tr>
<tr>
<td>OECD total</td>
<td>0.2%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Austria</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Denmark</td>
<td>0.5%</td>
</tr>
<tr>
<td>Norway</td>
<td>0.0%</td>
</tr>
<tr>
<td>Germany</td>
<td>0.0%</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Turkey</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Japan</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Poland</td>
<td>-0.8%</td>
</tr>
</tbody>
</table>

6.2% range
The impact of globalization is greater for regions than for nations.

17% range
Globalization has changed the field of play in this race.

Innovation now matters more than simply being a low-cost place.
Four Key Questions

1. Why is regional competitiveness the new framework for economic development?
2. What must regions do to compete?
3. How to connect innovation with regional development?
4. What policy initiatives are needed?
To prosper, rural regions must:

1. Craft a regional **strategy**.
2. Build robust regional **governance**.
3. Deliberately pursue **innovation**.
4. Grow a lot of **entrepreneurs**.
A New System for Regional Development

Strategy
Governance
Entrepreneurship
Innovation
Regional Prosperity
Four Key Questions

1. Why is regional competitiveness the new framework for economic development?
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4. What policy initiatives are needed?
• Innovation scattered across separate research centers.

• Economic benefits flow to unknown locations.

• Competitive needs of regions not understood.
• Competitive advantage poorly understood.

• Do not know which innovations can help.
The Problem

Universities
- Innovation scattered across separate research centers
- Economic benefits flow to unknown locations
- Competitive needs of regions not understood

Regions
- Competitive advantages poorly understood
- Do not know which innovations might help

Universities need regions...
Regions need Universities...

But there is no 21st Century bridge connecting the two.
The Current Approach

Universities

- Innovation centers pooled to create synergies
- Competitive needs of regions still not understood
- Economic benefits flow to hometown

Interdisciplinary Research Centers

Research Parks

Intellectual Property & Technology transfer

Hometown

Regions

- Competitive advantages poorly understood
- Do not know which innovations would help
Innovation Bridge

Universities

- Engaged in helping regions diagnose competitive advantage
- Research informed by competitive needs of regions

New Institutional Mechanisms

Regions

- Better understand competitive advantages
- Gain access to innovations that leverage competitive advantages
Four Key Questions

1. Why is regional competitiveness the new framework for economic development?
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Policy Issues for the Future

1. It is not enough to have a “research engine.” We must build “bridges” that connect innovation with regions, the new athletes in the global economic race.
Innovation & Regional Development
Policy Issues for the Future

2. These “bridges” represent a frontier in all OECD countries.
Innovation & Regional Development

Policy Issues for the Future

3. Policy must focus on creating an effective “incentives” for new institutional mechanisms at universities.
4. Building this “market” will take three steps:

- Increasing the capacity of regions to define competitiveness strategy— "the ask."

- Cataloging & filtering innovation in a “development friendly” way— "the bid."

- Providing incentives for researchers and regions to come together— "the market maker."
21st century regional innovation

Link research to regional strategies.

- Which research strands will most advantage which regions?
- Today, there is no bridge between innovation and regional strategy.

How to create this intermediary?
Final Concerns and Considerations: A Michigan Perspective
The metro/nonmetro definitions used in most policy targeting are not the same as urban/rural definitions.

Metropolitan areas contain rural places and nonmetropolitan areas contain urban places.

In fact, 51% of all rural residents (30 million people) live in metropolitan counties!

Another 10 million people live in small cities and towns in metropolitan counties.

These people are excluded from almost all rural policy/program eligibility

- Rural programs usually target only nonmetropolitan counties
- Urban programs usually target only large cities
48.8 million people live in nonmetropolitan counties

40.5 million people live outside urbanized areas in metropolitan counties
Metro and Nonmetro Counties in Michigan

Metro Counties:
- Metropolitan Counties
- Micropolitan Counties

Nonmetro Counties:
- Noncore Counties

Source: Office of Management and Budget and U.S. Census Bureau
Map Prepared by RUPRI
### Distribution of Population in Michigan

<table>
<thead>
<tr>
<th></th>
<th>Urbanized Area</th>
<th>Small Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan</td>
<td>6,567,529</td>
<td>240,828</td>
<td>1,290,931</td>
<td>8,099,288</td>
</tr>
<tr>
<td>Micropolitan</td>
<td>10,053</td>
<td>446,737</td>
<td>597,154</td>
<td>1,053,944</td>
</tr>
<tr>
<td>Noncore</td>
<td>3,050</td>
<td>151,327</td>
<td>630,835</td>
<td>785,212</td>
</tr>
<tr>
<td>Total</td>
<td>6,580,632</td>
<td>838,892</td>
<td>2,518,920</td>
<td>9,938,444</td>
</tr>
</tbody>
</table>

### Percent of Population that is:

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>25.3%</td>
</tr>
<tr>
<td>Nonmetro</td>
<td>18.5%</td>
</tr>
<tr>
<td>Non Urbanized</td>
<td>33.8%</td>
</tr>
</tbody>
</table>

Percent of the rural population residing in metropolitan counties: 51.2%

Source: Office of Management and Budget and U.S. Census Bureau
Population Percent Change, 1990-2000

- Population decrease
- Population increase less than 10%
- Population increase 10% to 29.9%
- Population increase 30% or more

Source: US Census Bureau
Census 1990 and 2000
Map prepared by RUPRI
Population Percent Change, 2000-2005

- Population decrease
- Population increase less than 10%
- Population increase 10% or more

Source: US Census Bureau
Population Estimates
Map prepared by RUPRI
Hispanic Growth Counties

Counties in which the Hispanic population more than doubled between 1990 and 2005

Source: U.S. Census Bureau
1990 Census and Population Estimates for 2005
Map prepared by RUPRI
Percent of Population 25 Years and Over with a Bachelor’s Degree or Higher, 2000

Source: US Census Bureau
Census 2000
Map prepared by RUPRI
Percent of Population in Poverty, 2003 Estimates

Source: U.S. Census Bureau
Small Area Income and Poverty Estimates
Map prepared by RUPRI
Per Capita Income, 2004

Source: Bureau of Economic Analysis
Regional Economic Information System
Map prepared by RUPRI
High Transfers Counties

Counties in which over 30% of total personal income was from transfer payments in 2004

Source: Bureau of Economic Analysis
Regional Economic Information System
Map prepared by RUPRI
Unemployment Rate, 2005

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics
Map prepared by RUPRI
ERS County Typology: Low Employment Counties

“less than 65 percent of residents 21-64 years old were employed in 2000” (ERS, USDA)

Source: Economic Research Service, USDA
Map prepared by RUPRI
ERS County Typology: Nonmetro Recreation Counties

Source: Economic Research Service, USDA
Map prepared by RUPRI
Community Colleges in Michigan

Source: Education Policy Center at the University of Alabama; IPEDS
Map created in the RUPRI CIRC Interactive Map Room (circ.rupri.org)
What lies behind us and what lies before us are tiny matters compared to what lies within us.

Ralph Waldo Emerson
The Rural Policy Research Institute provides objective analysis and facilitates public dialogue concerning the impacts of public policy on rural people and places.