Rural Development Hubs

Essential Innovation Infrastructure

Rural RISE Monthly Webinar
March 19, 2020

Katharine Ferguson
Aspen Institute Community Strategies Group
Objectives

1. Explain the concept of *Doing Development Differently* and how this concept is related to entrepreneurship.

2. Explore a *particular type* of regional actor – *Rural Development Hubs* – that are helping build a better rural development ecosystem.

3. Detail ways YOU can help strengthen regional Hub action and also entrepreneurship.
OBJECTIVE 1

Explain the concept of Doing Development Differently—and how this concept is related to entrepreneurship.
At its core, economic development is concerned with creating the conditions that will **increase economic opportunity** – jobs and income – for the residents of a given area.

“**Development done differently** is the **process** by which a community or region increases the **standard of living of its residents**. Economic development occurs when wealth is generated and when this **wealth is retained and reinvested to sustain** future productivity and to provide for an **improved quality of life.**”  (MDC 1991)
The Development Toolbox (*simplified*)

**Traditional Development Toolbox**
- Marketing a Place or Region
- Resource extraction
  - Timber, coal, oil, etc.
- Business Recruitment
  - Tax credits
  - “investment ready” e.g. industrial park

**Expanded Development Toolbox**
- Traditional Development Toolbox
- Systems thinking, regional lens
- Broader understanding of ‘capital’
- Community engagement + equity focus
- Local ownership
  - e.g. Investment in existing businesses
  - e.g. Cultivating and supporting entrepreneurs
We must do economic development differently. We must make bold moves to shift our economy away from inequitable extraction of resources and towards a collective, inclusive vision of the future.

Heidi Khokhar
Rural Development Initiatives
Oregon
An Outcome-Oriented, Wealth-Building Framework for Development

OUTCOME 1
Grow multiple forms of CAPITAL
Recognize, invest in and grow the many types of capital – individual, intellectual, social, natural, built, political, cultural and financial – needed to sustain an economy.

OUTCOME 2
Root OWNERSHIP in the Region
Create pathways for more local ownership, control and influence over economic drivers and the wealth those drivers generate.

OUTCOME 3
Improve LIVELIHOODS for those living on the margins
Strengthen and improve livelihoods – high quality, living-wage work and careers – for all residents, especially those on the economic margins.

Aspen Institute Community Strategies Group - 1/2020
<table>
<thead>
<tr>
<th>The Capital</th>
<th>The Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Skills, education, physical health and mental wellness</td>
</tr>
<tr>
<td>Intellectual</td>
<td>Knowledge, resourcefulness, creativity and innovation</td>
</tr>
<tr>
<td>Social</td>
<td>Trust, relationships and networks</td>
</tr>
<tr>
<td>Cultural</td>
<td>Traditions, customs and ways of doing</td>
</tr>
<tr>
<td>Natural</td>
<td>Water, air, forests and other natural amenities</td>
</tr>
<tr>
<td>Political</td>
<td>Influence on decision-makers and resource allocation</td>
</tr>
<tr>
<td>Financial</td>
<td>Savings and investment</td>
</tr>
</tbody>
</table>

*All are required to grow and sustain a healthy economy over the long-term!*
Our aim is to create a place at the table for all parts of the community, especially those parts that may look different or have not always been included in the conversation. Inclusion cannot happen on its own. It must be an intentional part of any economic or community development strategy.

Patrick Woodie
NC Rural Center
The Connection

*Doing Development Differently + *Entrepreneurship*

- **Multiple Forms of Capital + Entrepreneurs**
  - Creative thinking about local assets
  - Build on what a community has [people, resources, culture, know-how]

- **Local Ownership + Entrepreneurs**
  - Local ownership is a given (at least in the short run)
  - Generate and root wealth in the community/region where that business is located

- **Improving Livelihoods + Entrepreneurs**
  - Typically responsive to local markets, priorities, needs
  - Social enterprises and some entrepreneurial endeavors also prioritize marginalized populations.
Challenges to Doing Development Differently

*Doing Development Differently is challenging because:*

– It’s not something one person or one organization can do alone.
– It’s rarely something one community can do in isolation.
– Issues, assets challenges and opportunities all cross geographic boundaries.
– The perception still prevails that the “job” of economic development is to recruit businesses from outside – rather than build from within.

*Any similarities to the challenges inherent in rural entrepreneurship?*
OBJECTIVE 2

Explore a particular type of regional actor
– Rural Development Hubs –
that are helping regions build a better rural development ecosystem
A Rural Development 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, health and well-being.
Rural Development Hubs: Our Research

• Interviewed leaders in 43 Hubs across the country – representative of varying geography, types of organizations, populations.

• Note: Hubs are not any one kind of organization:
  • CDFIs and CDCUs
  • Community Action Agencies
  • Community Foundations – and other kinds of foundations (Family, Health Legacy, Regional)
  • Statewide rural organizations
  • Community colleges
  • Social enterprises/collaboratives
  • Unicorn regional organizations

• Asked them how they thought about their work, what challenged them and what would help them do more and better.
1. Think and work “Region.”

2. Assemble the region for discovery and dialogue.

3. Are of their region, know their region, and build trust in their region.

4. Take the long view.

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.

Mike Clayborne
CREATE Foundation
Northeast Mississippi
What sets Rural Development Hubs Apart?

The Gritty Dozen

5. **Bridge** issues and silos.

6. **Analyze** at the **systems** level, and intentionally address **gaps** in the system.

7. **Collaborate** as an essential way of being and doing.

8. Create structures, products and tools that foster collaborative doing.

In a rural place, there aren’t enough resources to go it alone...

The model for collaboration that is essential to rural America is the church potluck supper. Everyone brings what they can to the table and you end up with more than you need to get your job done.

**John Molinaro**

Appalachian Partnership, Inc.  
Athens, Ohio
What sets Rural Development Hubs Apart?
The Gritty Dozen

9. Translate, span and integrate action between local and national actors.

10. Flex, innovate and become what they need to become to get the job done.

11. Take and tolerate risk.

12. Hold themselves accountable to the whole community.

We are accountable to the people whom we serve and to our investors. One thing we have going for us is we have the trust of the community. If we should ever lose that trust, we are going to be out of the business. For us, that is very key.

Jennie Stephens
Center for Heirs’ Property Preservation
South Carolina
What do RD Hubs Have to do with Entrepreneurship?

Think of an organization in your region that.....

– Has explicit focus on entrepreneurship;
– Provides technical assistance and training on key business essentials such as *QuickBooks*, budgeting, marketing, etc.;
– Provides affordable access to credit that would not be available via traditional lenders;
– Works to create an entrepreneurial ecosystem;
– Convenes across political boundaries and sectors;
– Advocates for policies that align with the principles of ‘doing development differently’

.....This Organization Might Be a Rural Development Hub!
Examples of Rural Development Hubs You May Know.
OBJECTIVE 3

Detail ways YOU can help strengthen regional Hub action (and also entrepreneurship).
1. Educate yourself!

THREE THINGS YOU CAN DO

2. Learn the RD Hubs in Your Region.
Identify and familiarize yourself with the Rural Development Hub(s) in your region.

Mention them publicly. Explain why what they do matters to your work as an entrepreneur.
3. Speak up!

Support policy and practice that advance RD Hubs and *Doing Development Differently*. Look for policies and other measures that invest in local people, institutions, and the hard work of ecosystem building.
“The difficult problems that we are up against in place are best addressed by leaders in communities who are supported by expertise and capital — not programs, not projects. Programs and projects are great, but leaders in a place are ultimately how you create change.”

Jim King
Fahe
Kentucky
So...
what are you thinking?
Thank You.

Katharine Ferguson
Katharine.Ferguson@aspeninstitute.org
www.aspencsg.org
For the Hubs report: as.pn/ruralhubs