



Three Elements of Preparing a Rural Community for Value Added Development: Attitudes, Leadership, and Visioning

Milton Green
Area Economic Development Agent
Utah State University and College of Eastern Utah

Introduction

Significant differences exist between rural communities with respect to effectiveness in economic development. Some communities appear to have the innate ability to easily mobilize resources while others never seem to get organized enough to manage the resources of the community. Some communities seem to adapt very well to an economic decision that results in a negative impact for a major employer resulting in plant closures and high



unemployment while other communities are devastated by the same decision. The key difference is in the effectiveness of community economic leadership (White and Clifton, 1988).

What is economic development? Community development can be defined as the social process in which people of the community become more competent, or empowered, by gaining control of a frustrating and changing world (Biddle, 1965). Economic development is the art of creating strategies that address the development potential of the community combined with the science of managing the community resources needed to create positive action. The question is: Can community development and economic development be separated as they apply to value added strategy? Most likely, the two cannot be separate nor should they be. The experience of looking at all of the value added combinations that exist in rural communities will prove to be frustrating because it requires changes in attitudes about the way the community has done business in the past, it demands the empowerment of local leadership to implement changes and some consensus must be reached as to what the future vision of the community will be.

The purpose of this paper is to present a framework for communities to use as a tool in community preparation process. Why do communities need to go through a preparation process?

Isn't all development good? The answer to the last question is an emphatic "no" all development is not good. The framework presented looks at attitude and need assessment, core leadership development and the development of a vision as prerequisites for development and also suggests that the lack of community preparation may explain why some communities are not successful in their development efforts.

Attitudes Toward Community/Economic Development:

Rural communities have a long history of strong tradition. Traditions are the result of successful business and industry development. The traditions represent the history of a community from which the people can learn lessons and move forward. Traditions also represent attitudes about the community and by comparing economic development to community development it appears the effectiveness of both concepts are impacted by resident and leader attitudes.

Economic leadership, with respect to value added development, is directly affected by community attitudes. In developing economic leadership it is important to think in the context of demands, resource constraints and choices as they exist in an institutional framework (White, 1988). The job of an individual or group of individuals to carry out the mission and goals of the organization creates the community demands on its leadership. Resource constraints limit the actions of individuals or groups within the framework. Finally, choices within that framework have to be made in an effort to effectively utilize available resources to the best interest of the public welfare. This process is a method of rebuilding an economy or shifting from current thinking to a more competitive way of thinking while sustaining the unique identity of the community. It is a process referred to as "rural reflation" (Fendley and Christenson, 1989) and the success of this process is rooted in the attitudes of the community toward development.

The absence of positive attitudes about the community makes the process of rebuilding the economy extremely difficult. In rural communities "rural reflation" is the dual attempt at creating a market segment for a community product in a world economy while sustaining a community identity. In essence it is the implementation of smaller scale development of which value added products play a major role. Unfortunately, rural economic development tends to imitate larger urban development efforts and commonly failure is the result. Peter Drucker as early as 1986 defined global changes in the world economy that have strong implications for rural community development. Although all of the implications of these changes may not be clear it is obvious to see the impact of undeveloped countries on the goods and services economy. Until workers rights, protection and environmental policy are required in third world nations it will be very difficult for companies based in the United States to compete in the real goods and services economy (Fendley and Christenson, 1989). This is the future market rural communities must be competitive with which demonstrates a fairly negative future if the choice is made to continue doing business as it has been done in the past. One possible response by rural economies might be to manufacture higher quality products that are location specific and difficult to produce in cheaper work environments. Simply put, develop value added product and service strategies. Communities that fail to accomplish this task will continue to be underserved in a highly competitive economy. Residents and leaders in rural communities that don't fully understand changes in the global economy will not fully understand the impacts of those changes

on the local economy and will continue to be under-competitive.

A similar situation exists in rural communities that are "power dependent" on national and multinational corporations to support their economy. Despite the sentiment power institutions outside the community may have for a rural economy the first priority is to protect the institution. Unlike rural communities that tend to be at the mercy of market trends, power organizations have the ability to recreate the market rules. Companies that have a wide product diversification can absorb large swings in market prices, a luxury generally not afforded to smaller companies with more restricted product lines (Swinth and Alexander, 1990).

Government agencies can also play the role of a power institution in communities where a major portion of the economy depends on policy decisions made at the national level. This situation is typical in the west where tourism and natural resource utilization play a major role in the economy. In these communities a vast majority of the land is controlled by government agencies and land management decisions exert a great deal of power over the local economy. Very similar to the multinational corporation, the government agency is only concerned with the local economy to the extent that it does not threaten the institution.

Rural communities can respond to these challenges but to do so it is important to develop a strong pro business attitude prior to the implementation of a development plan. In Green River Utah the process of developing a pro business attitude started with a resident attitude survey (Guy, 1995). Although residents were generally satisfied with the quality of services in the community they did not feel enough was being done to insure a sustainable economy. There is an obvious gap between the perceptions of a small rural community being a nice place to live and families making a comfortable income.

Ayres and Potter (1989) reported that differences in community attitudes towards quality of life issues and economic well-being are a primary factor in initiating community action. They also suggest that major differences between resident and leader attitudes play a significant role in determining the impact of community action groups. The study identifies differences in the way the leadership core group and residents perceive local change. The study found differences in socioeconomic background, levels of involvement in local organizations, and the way citizens perceive attributes of the community.

The differences between rural leaders and residents identified in this study along with the similar differences found among the residents of Green River at the very least suggests that most rural communities throughout the west deal with problems that are very much alike. By looking at both studies it would appear that a key issue is both, residents and leaders, must demonstrate a pro business attitude before significant local economic changes can take place. It is critical that both groups understand the impact economic shifts have and will continue to have on the community quality of life. Successful leadership development efforts will depend on the flow of educational information to both residents and leaders. If residents and community leaders understand how the local economy works it will be much easier to formulate economic strategy.

Local Leadership Development and Visioning

Is visioning the ability to see into the future? True, this is part of the visioning process, however, in this context it pertains more to the process of molding or directing what the future is going to be. The Community Attitude Survey: Green River (Guy, 1996) identified specific differences in attitudes in this small southeastern Utah community and following the attitude survey all the pieces appeared to be in place to create a visioning statement and develop a community action group of core leaders. Thus, a visioning session structured similar to the “Town Hall” concept was designed and implemented.

Participants identified production agriculture, transportation services and tourism as the three primary components of the local economy. Citizens clearly expressed a desire to maintain a rural quality of life based on independence, privacy, freedom and preservation of open space. A primary concern is the lack of opportunity existing for young people in the community. The need to build a sustainable economy that will facilitate the retention of young adults in the community, should they have an expressed interest in staying, is a priority need for the community. This also appears to be a priority in most of the rural west.

The process used in this project was divided into three sections, two educational sessions and one action session. Participants first learned about the history of the community: Where had the community been? What were the community roots? What historic events contributed to what the present community looks like? The second phase was to discuss the way the local economy now works: What factors influence the local economy? What are the strengths of the economy? What makes the local economy vulnerable?

The final part of the process divided the group into small break out sessions where participants were asked to address the questions:

1. What is appropriate development for the community?
2. When development occurs, what will be the consequences of the development on the local economy? Who wins? Who loses?
3. What informal and formal collaborations need to be established to initiate development? Citizen action groups? Local government? Private sector? (Green and Eastman, 1997)

The product of the session was a very large shopping list of qualities that defined what Green River should look like in the future. The problem is associated with the very large gaps that exist between the residents, the local government and the local leadership core as to what that vision should be. Until those gaps can be narrowed there is no vision.



The Role of Leadership in the Visioning Process

The theory of leadership is over studied. What is it? How does it work? Why do some people have leadership qualities when others doing the same job are not able to develop followers? It is an elusive concept and one not well understood but a new theory of leadership is emerging (Bennis and Nanus, 1985). The presence of a core group of leaders demonstrating the ability to motivate people and initiate action appears to be a very critical component of successful community action.

Recent theories on leadership tend to associate with the global social shifts taking place and the changes those shifts are generating in the way people think. Warren Bennis and Burt Nanus visualize leadership as a human resource transaction where leader and organization become one entity and management through vision becomes the focus. Both authorities present the concept of leadership as 4 strategies that support the mission of the organization (Bennis, Nanus). The application of these strategies to the process of developing core leadership to implement value added projects provides a logical approach to the larger field of effective economic development.

Strategy 1: Attention Through Vision

- Leaders are result-oriented people. They have little patience with people who lack vision and have no sense of what is, what could be or what should be.
- Visions motivate organizations by making the direction of the organization essential to success and nearly impossible to achieve.
- Leaders with vision create confidence in organizations.

Strategy 2: Meaning through Communication

- It doesn't matter how well intended a group is if that group cannot effectively communicate their thoughts to the membership.
- Successful leaders have the ability to convey a desired image of "what could be" to a larger group.
- It is the job of the leader to organize and provide purpose to the membership.

Strategy 3: Trust through Positioning

- Organizations that have trusted leadership demonstrate self-satisfaction.
- Trust implies, among many things, leadership that is accountable, predictable and reliable.
- Positioning is the sheer energy of a leader so motivated with collaborative energy that others demonstrate a willingness to follow.
- Managing trust through position builds organizational integrity and builds persistence toward achieving the goals of the organization.

Strategy 4: The Deployment of Self Through Positive Self-Regard

- Leaders are good self-managers.
- The health of an organization is in its membership and sick leadership means a sick organization.
- Self-respect may be better explained as the “creative deployment of self.” The first step in gaining positive self-respect is to demonstrate the ability to recognize organizational strengths and compensate for weaknesses.
- The continuous development of one’s skills with self-discipline is essential.

Positive organizational leadership and positive self regard within the membership are the two critical components that allow an organization to become empowered, or, “translate intention into reality.” Whether or not a community empowers its leadership core using these strategies or some other form of empowerment isn’t the focus. The objective is to develop a development strategy that centers on empowerment. Rural communities have traditionally been power dependent on decisions made within the global economy that place them in a subordinate role to their external environment (Swinth and Alexander, 1990). What is good for the larger global perspective may not be good for the local community. The most recent lesson learned from this has been in the downsizing of many multinational corporations that have left numerous rural communities in serious economic decline. In contrast, any one single economic change in larger more affluent communities exhibiting more economic diversity tends to generate less impact.

Some possible strategies community development practitioners might implement in an effort to minimize the impacts of closure by a major power institution are: (Swinth and Alexander, 1990)

- Develop a network among people to identify the power relationships that affect them.
- Assist people in determining the optimum geographical combination of communities to be included in subsequent actions.
- Communities need to spend some time developing “common interests” as well as areas of conflict that may never be resolved. The inclusion of common interests tends to frustrate the classic divide and conquer strategy often exercised by power actors over the peripheral interests.
- Assist communities in developing associations that attempt to stabilize and maintain commodity prices.

It is very difficult for rural communities to gain any advantage in working within existing power institutions. Such institutions historically oppress rural communities and to work through them will most likely generate only minimal changes. Ultimately, a flexible strategy that works within and outside the political environment designed to equally distribute power will yield the most effective results. The identification of value added opportunities is an important part of the process of developing a flexible strategy that will aid in compensating for the impact of large power institutions. To accomplish this it is essential that leadership acquire the skills necessary to recognize the community strengths required to effectively negotiate with power players.

In an effort to equalize the power dependence in rural communities it would appear that three factors are critical to the process:

- Community leadership must identify those areas that will add diversity to the local economy.
- Acquire the skills necessary to deal with power institutions in the local economy.
- Develop associations within the economy that will encourage autonomy and independence.

Summary

The changes identified by Drucker are still an influence in rural economies. For over a century rural economies have developed strategies that support a raw product economy and an economy that is dependent on decisions in an external environment over which the community has little control. However, the paradigm shift is beginning to take place. As long as rural communities continue to be dominated by national and multinational corporations their economies will, in turn, be under competitive. The concept of “rural reflation” needs to occur and rural communities need to identify market segments in the larger global market in which they can compete. It is also important to protect the rural quality of life and strive to maintain the community identity that makes each community unique. These tasks can be achieved through the development of value added products and services.

Successfully achieving these tasks will be difficult but not impossible. Social and economic differences in rural communities make them as diverse as their urban counterparts. However, a single decision by a national corporation or entity rarely has the same impact on both rural and urban communities. The scale of economy and resources available to the urban community gives urbanites a distinct advantage in their ability to absorb the negative impacts of a downsizing decision. The development of value added opportunities in rural economies then becomes an essential part of the development strategy as a means of becoming more efficient in extending available resources. The result of successful value added development is a broad and more diverse economic base less vulnerable to large swings in the global market.

From the information presented, the efficient allocation of resources necessary to prepare a community for economic development is a critical consideration. Three factors are major influences on the ability of rural communities to mobilize resources and implement rural value added development strategies. First, attitudes of the community must be identified and differences in community attitudes must be clearly communicated to the local leadership core. Second, a leadership core needs to be identified and empowered to provide leadership to the development effort. Finally, a clear community vision to which a vast majority of the community can claim ownership is an essential element to successfully creating value added opportunities.

In the case study attitudes were assessed, the leadership core identified and the community engaged in a visioning process. But, there is not consensus as to what the vision is. There are significant gaps in how residents, core leaders and local government perceive the community. Until the community can establish some common ground and develop a common vision effective successful community development will most likely not occur.

The leadership core and local government need to know what type of development will be acceptable to the community, what kind of development will not be acceptable and who will be the people in the community that will mobilize the local resources necessary to produce positive

results.

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