

Michigan Association of Regions: Preparing for the Future

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■ Global Trends Demand Regional Collaboration, Strategies and Workforce

- ✓ **Regions Matter:** Primary drivers of leading global competitors and economies are now regional in character. Most successful regions are building networks and connections of knowledge workers; possess physical and virtual connections within region and to national and global markets; foster culture of innovation, risk management and entrepreneurship; balance long-range vision and strategy with immediate needs and demands; and possess political leadership of public, private and community leaders.

- ✓ **Innovation Is Driving Force:** Ability to rapidly translate knowledge and insights into new high-value products and service is imperative. While the private sector is often the primary driver of innovation, many highly successful regions have benefitted substantially from research and development spinoff efforts and the basic research of federal labs, universities and colleges, and other public institutions. In today's world, stronger public-private collaboration is invaluable, especially in pursuing knowledge transfer, attraction and retention of world-class workforce and the commercialization of ideas.

- ✓ **Rapid Population Growth and Demographic Changes around the World:**
 - Global workforce has experienced massive growth since fall of Soviet Union/Iron Curtain in 1980s and emergence of China, India, Brazil & Pacific Rim since early 1990s; Deployment of high-speed broadband around the globe has accelerated ability of developing nations to connect to markets, corporate headquarters and knowledge hubs.

 - China and India account for 35 percent of the world's population, at 1.32 billion and 1.13 billion people, respectively. United States has population slightly above 300 million, ranking as 3rd largest country, with projections to increase by another

100 million by 2050. Meanwhile, many Western European nations, along with Japan, are experiencing static or declining populations.

- Growth of developing nations presents a great opportunity for U.S. exports of our goods, services and knowledge by US firms and workers. ***Organizations such as regional councils (including those serving as EDA Economic Development Districts) should be more engaged in assisting local businesses and entrepreneurs with strategies and knowledge to participate in global trade.***

✓ **Global climate change and energy security:**

- **Regional approaches, cost sharing and innovative approaches to energy production, consumption and conservation, along with environmental stewardship, is now essential as the battle for natural resources will continue to intensify over the next few years and decades.** The laws of supply and demand will be a painful reminder that natural resources and other commodities are traded freely across national, state and local borders. Commodities, such as oil, gas, food, minerals, water, etc, are sold to the highest bidder and those with the power to enforce their political, military and/or economic might will be the winners and primary beneficiaries.
- **The estimates for the demands for goods and services, including natural resources, in the future are startling.** If current projections and trends are fulfilled, there will be an unknown impact on supply, price, trade and the environment:
 - The number of vehicles in China will rise from 26 million in 2003 to 120 million by 2020
 - Between 2006 and 2012, according to McKinsey Global Initiative, China and India will build 800 new coal-fired power plants, with CO₂ emissions five times the savings of the Kyoto accords. China now uses more coal than the United States, Europe and Japan combined. (Note: by comparison, the United States has around 600 coal plants today, with 43 in various stages of development, according to U.S. Department of Energy.)

- Demand for oil in China and India will nearly double from 2003 to 2020, to 15.4 million barrels a day. Asia's oil consumption will match the US, the world's largest consumer

Keys to Long-Term Economic Competitiveness of the United States

How are the Michigan Association of Regions and its membership of Regional Planning Commissions positioned to add value and take a leadership role in helping the state of Michigan, along with public, private, nonprofit and educational leaders within the state, transform and evolve the state's economy?

- ✓ **Foster regional solutions, partnerships and strategies** among local governments, with intergovernmental partners at federal, state and local levels, and between public, private, community and philanthropic sectors
- ✓ Pursue and maintain an **innovation and entrepreneurial economy**
- ✓ Train and foster a world-class, growing and diverse **workforce, including knowledge workers**
- ✓ Balance **environmental & economic goals with recognition of the importance of quality of place to knowledge workers**
- ✓ **Reinvest in modern infrastructure** for education, energy, health care, technology, transportation and water/waste water

National Trends and Observations with Regional Councils

- ✓ **Increased collaboration, staff support and/or co-location of federally-funded entities within regional councils**, including Workforce Investment Boards (WIBs), WIRED regions, Metropolitan Planning Organizations (MPOs), SBA Small Business Development Centers (SBDCs) and Manufacturing Extension Partnerships (MEPs).
- ✓ **Provide leadership and strategy forums for development of regional climate change mitigation, energy, water resources and/or natural resource plans.** Those regions that are already pursuing new ideas, solutions and strategies will be ahead of the game. Regional

councils should already be positioned to serve as regional leader, resource and clearinghouse for crafting comprehensive regional strategies, assessments and analysis.

- ✓ **Stronger integration of transportation, economic development and land use planning and development**, with goal of promoting quality of place and livability to attract 21st century workforce, promote sustainable development and increase economic competitiveness of regions.

- ✓ **Leadership and organizational assistance with regional entrepreneurship training, lending/investments and business development**, including stronger links with community colleges and job skills training partners; establishment of microlending, venture capital and angel network resources; and pursuit of international trade and global market opportunities.

- ✓ **Opportunities for regional councils to host, hire and/or support local economic development professionals and practitioners**, rather than each county and city hiring and staffing its own local economic development corporation. With severe budget cuts at state and local levels, it is an opportune time for regional councils to promote cost-sharing and increased regional collaboration (even at smaller regional levels that regional council service area) at multi-county and county-town-city levels. *Several regional councils are now establishing a circuit rider / roving economic development professional.*

- ✓ **Focus on asset-based economic development planning that builds upon regional strengths and opportunities**, rather than traditional focus on weaknesses and barriers. Projects such as Mobilize Maine, with the coordination efforts of the state's six economic development districts, are aggressively pursuing an asset-based strategy focused on innovation, knowledge networks and hubs, and strategic investments across the various economic sectors of the state, including manufacturing, natural resource development, science and technology, and tourism.

Potential Ideas for MAR

- ✓ **Quality control teams and process for products and services.** Senior staff representatives of MAR members should work together to develop statewide templates and quality standards for each statewide work product, such as EDA CEDS, FEMA all-hazard mitigation plans, MDOT asset management plans and other related deliverables and products. ***Peer review teams should review, comment and test products for quality standards before submission to federal or state funding agency.***

- ✓ **Add value to federal, state and local government services.** MAR members should pursue new and expanded programs and services that improve and add value to existing public sector services, rather than seek to duplicate or replicate programs and services of public sector partners. MAR members should conduct an analysis of federal mandates that are often difficult for state and local governments to fund, address and comply. Often times, state agencies are willing to contract out work related to federal mandates that may be onerous, cross jurisdictional boundaries / require regional approach or are outside of traditional state and local priorities (*i.e. FTA public human service coordination plans, FEMA all-hazard mitigation plans, etc*)

- ✓ **Pursue pilot programs that demonstrate capacity and value of regional councils.** Several MAR members are already engaged in innovative and forward-thinking initiatives that could serve as pilots for the rest of the state. For example, the 3E Initiative of the Northwest Michigan COG could be replicated across the state, with each regional council developing a regional strategy for renewable energy and water resources.

- ✓ **Since many MAR members serve more rural-based regions, it may be difficult for each regional council to afford and build the professional staff capacity for each priority issue.** Therefore, MAR members should consider using the state association or individual regional councils to hire full-time staff, part-time experts or consultants that would be available to each regional council for special projects, programs and services. For example, it may be unrealistic for each regional council to have a fully staffed GIS department, but it would be beneficial if

regional councils without GIS capacity or with limited GIS capacity to contract with regional councils with excess capacity and staff. The same could be applied to RLF/business development finance staff, grant writers, regional and local planners, finance/fiscal officers and other highly skilled staff. ***(The goal is to establish statewide capacity and expertise so federal, state and local officials feel comfortable partnering with MAR and its members for services without fear of underperformance, statewide inconsistency or poor quality; rather than hire or rely on outside consultants, MAR would be helping its members build internal expertise and capacity.)***

- ✓ **Sponsor statewide and regional forums -- in partnership with state and local agencies, private sector groups and alliances, nonprofits and educational institutions -- on the future needs of the state with respect to transportation, environmental stewardship, workforce development, innovation, regional competitiveness and other related topics.** MAR and its members need to rebuild its reputation and skills as forward-thinking thought leader for the state and individual leaders. MAR and its members should use your convening powers and expertise to bring together public, private, education, philanthropic and nonprofit sectors to pursue new strategies and pathways for the state.
- ✓ **Commit to rebuild partnerships, dialogue and credibility with state and local government officials.** With the message of cost effectiveness, performance-driven results, public entrepreneurship and statewide coverage and consistency, MAR and its members could become reliable and valued partners of the state. HOWEVER, it will require balancing political priorities of the state vs. local governments; statewide peer accountability and participation; long-term dedication and commitment of time, energy and resources; and significant leadership of regional council executive directors.
- ✓ **Engage new and emerging regional alliances and consortiums of private sector business groups, universities and colleges, nonprofits and other related stakeholders.** Since regional councils are no longer the only or primary region-based organizations, it is essential that regional councils either provide the staff support and leadership support for these new entities, or at a minimum, be at the table and involved in these new organizations as strategic partners.

- ✓ **Review bylaws and governance policies for regional council policy boards** to ensure they provide the flexibility and structure to allow regional councils to attract key regional leaders, including those from outside local government. If regional council bylaws are too rigid and prescriptive, it often results in limiting the creativity, participation and results of the organization. Regional councils can still remain local government-based entities, while also attracting and facilitating the active participation of regional leaders from business, education, community and nonprofit sectors.

- ✓ **Rebuild partnerships and relationships with statewide associations of county and municipal officials.** If regional councils are truly local government based, then it is essential for them to have the full buy-in and support of local government associations. If local officials urge and ask federal and state agencies to work through regional councils to serve local communities and governments, it is much easier to grow and expand regional council services and programs.