

Connecting with Each Other, Connecting with the Future Copyright © 1999 by the Southern Growth Policies Board

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Single copies of this *Summary Report* may be obtained free of charge. Copies of the *Final Report of the 1998 Commission on the Future of the South* are available for \$10, which covers shipping and handling. Prepayment is required. Ordering information is available by calling (919) 941-5145, by e-mail to sgpb@southern.org or from the Southern Growth Policies Board web site, http://www.southern.org.

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Acknowledgments

he Report of the 1998 Commission on the Future of the South is the culmination of an effort which began under the leadership of Kentucky Governor Paul Patton, the 1997-98 chairman of the Southern Growth Policies Board, and concluded under the guidance of West Virginia Governor Cecil Underwood, the Board's 1998-99 chairman. Former Kentucky Governor Martha Layne Collins, the chairman of the 1998 Commission, provided committed leadership throughout the Commission's deliberations.

The Southern Growth Policies Board wishes to thank not only the Commissioners for their dedication and hard work throughout this process, but also all of those who contributed to the report that is now before you.

This Summary Report was written by Barbara Hadley Smith, director of communications for the Kentucky Cabinet for Health Services, under the direction of the Commission and with the assistance of Ed Morrison and Tack Cornelius. The Summary is based on the *Final Report of the 1998 Commission on the Future of the South*, written by Ed Morrison, president of the Morrison/Dodd Group, a consulting firm based in Shreveport, Louisiana.

The Board and the Commission deeply appreciate the major funding provided by BellSouth Corporation, by GTE Corporation, and by LG&E Energy Corporation and its Chairman and CEO, Roger Hale, who served as Finance Chair of the 1998 Commission. Special recognition is due to all of the corporations, state governments, and economic development organizations which generously supported the Commission's work.

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The 1998 Commission

he Commission on the Future of the South is a unique undertaking of the Southern Growth Policies Board. The Interstate Agreement which formed the Board specifies that the Board prepare a Statement of Regional Objectives every six years, including

Board's 1997-98 chairman. The Commission, which has met seven times since the Board's 1997 Conference on the Future of the South, was chaired by former Kentucky Governor Martha Layne Collins.

recommended approaches to regional problems. This mandate has taken the form of an analysis of the condition of the region and a statement of goals and objectives for the Board — and the region — to address.

The first Southern Growth chairman to respond to this mandate was Georgia Governor Jimmy Carter in 1974. He chose to empanel a blue-ribbon group of "By using creatively the resources already available to it, the South should be the place where its citizens experience one of the most constructive and rewarding eras in its rich history."

> Commissioner Donald W. Zacharias State of Mississippi

Each Commission has left a lasting mark on the region. The first focused on growth management, which was the top agenda item for the Board when it was formed. The Commission's final report spelled out a vision for the region which was beginning its now very rapid rate of growth. One of the recommendations of the 1980 Commission precipitated the movement towards regional bank-

Southerners that he called the Commission on the Future of the South. Six years later, South Carolina Governor Richard Riley created the second Commission, and six years after that, Arkansas Governor Bill Clinton formed the third. The fourth Commission was created by West Virginia Governor Gaston Caperton in 1992.

Members of the 1998 Commission, the fifth to be convened by the Board, were nominated by the Southern governors and appointed by Kentucky Governor Paul Patton, the

ing. The 1986 Commission firmly linked human resource development to economic development. And the 1992 Commission drew attention to the importance of measuring our progress as a region.

The 1998 Commission holds similar hopes for the report that is now before you. It is up to all of us to make this report come alive—to ensure that these findings are embraced and implemented throughout our region.



J. Veronica Biggins Partner, Heidrick & Struggles Georgia



Norma Burgos Secretary of State, Puerto Rico



Charles "Bucky" Clarkson Founder, C&M Investors Florida



Rebecca McDowell Cook Secretary of State, Missouri



Constantine Curris President, Clemson University South Carolina



J. Ronald Geoghegan Executive Director with Kentucky's BellSouth Communications



Michael Hooker Chancellor, University of North Carolina-Chapel Hill



Carl Kell Professor, Western Kentucky University



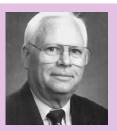
Martha Layne Collins, Chair Scholar in Residence Georgetown College, Kentucky

"We offer a roadmap to the future, believing that the road ahead will lead us to a bold, exciting transformation of the South."

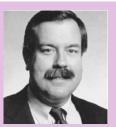
> Commission Chair Martha Layne Collins



Martha McInnis Alabama Dept. of Economic & Community Affairs



Daniel "Duke" McVey President, Missouri AFL-CIO



Kenneth Oilschlager President, Kentucky Chamber of Commerce



Robert Reintsema Commissioner, West Virginia Bureau of Commerce



William Sawyer Chairman, Sawyer Industrial Plastics Louisiana



Betty Siegel President, Kennesaw State University Georgia



Irby Simpkins Chairman of the Board, EdgeNet Media Tennessee



Calvin Smyre Georgia House of Representatives



Wayne Sterling Executive Director, Virginia Economic Development Partnership



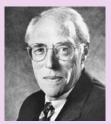
Isaiah Tidwell Executive Vice President Wachovia Bank North Carolina



Pamela Warren Cabinet Secretary of Admininistration, Oklahoma



Frank White Bank Commissioner, Arkansas State Bank Deptartment



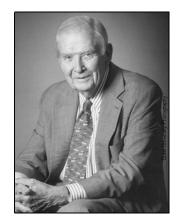
Donald Zacharias President Emeritus, Mississippi State University

R. Michael Williams (not pictured) President, Florida Bldg. Trades Council

Dedication

he South's successes have not come by chance. It is not by chance that the South is one of the most sought after places in the world to do business. Nor is it by chance that the South's communities are among the most sought after places to live, to raise a family. The South's successes are the result of hard work and dedication. They are the result of the many Southerners who have committed themselves to "giving something back" to their neighbors, to their communities, to their states.

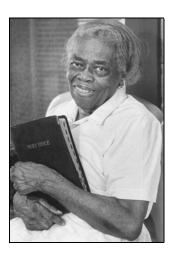
The 1998 Commission on the Future of the South would like to dedicate this report to the many Southerners who exemplify this spirit of "community" in the South—Southerners from all walks of life who have helped make the South such a special place—Southerners like Terry Sanford and Oseola McCarty.



Terry Sanford

A former governor, senator, state legislator, author, presidential candidate, and university president, Terry Sanford has been hailed as one of the great leaders of our time. Upon his death in April 1998, President Clinton observed that "his work and his influence literally changed the face and future of the South, making him one of the most influential Americans of the last 50 years." He was instrumental in the creation of the Southern Growth Policies Board as well as the Education Commission of the States — a testament to his lifelong commitment to

education and progressive economic development. But perhaps his greatest legacy is his "spirit of boundless optimism and commitment to excellence for our children and our public schools," a spirit and commitment that, North Carolina Governor Jim Hunt noted, "have changed us forever."



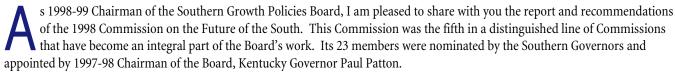
Oseola McCarty

Despite her more modest path in life, Oseola McCarty's contributions to the region are no less inspiring. Now over 90 years old, McCarty spent her entire life washing and ironing other people's clothing, having dropped out of school in the sixth grade to care for a sick aunt. Upon her "retirement" in 1995 at age 87, she donated \$150,000 — the bulk of her life's earnings — to start a scholarship fund at the University of Southern Mississippi. She wanted others to have a chance at the education she never had. "I can't do everything," she commented. "But I can do something to help somebody. And what I can do I will."

Let these and the deeds of other Southerners be an inspiration to all of us. Let us capture this spirit of the South and use it to make our region even better in the future.

Focusing the region's attention on issues critical to our future

The Honorable Cecil H. Underwood Governor of West Virginia 1998-99 Chairman, Southern Growth Policies Board

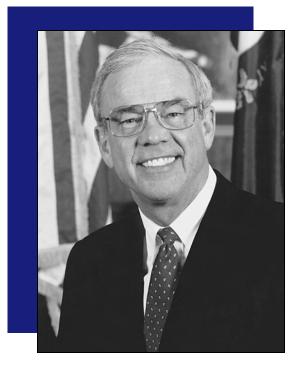




I congratulate Governor Patton, Commission Chair Martha Layne Collins, and all of the Commissioners for focusing the region's attention on issues that will be critical to our future. I find the report's emphasis on technology and its underscoring of the rapidity of change to be particularly compelling.

The Commission on the Future of the South places before us many significant challenges. I encourage all of you to take these initiatives to heart, to work diligently for their implementation, and to bring more and more people into concert with what we are trying to do across the South. This report dare not gather dust on anyone's bookshelf, for our ability to address these challenges will determine the future of our region.

Signo Selement ?



Helping the South chart a course for continued prosperity

The Honorable Paul E. Patton Governor of Kentucky 1997-98 Chairman, Southern Growth Policies Board

e have a strong regional history and tradition in the South. One of our strengths has always been our ability to come together in order to share our problems and identify opportunities to work together for a better future. Nowhere is this better exemplified than in the work of the Commission on the Future of the South.

As 1997-98 Chairman of the Board, I had the honor of convening the 1998 Commission at the 1997 Conference on the Future of the South. I am proud of the members' hard work and dedication under the leadership of Governor Martha Layne Collins and commend them for recommendations that I am confident will help the South chart a course for continued prosperity into the 21st century.

As the Commission's report emphasizes, the day-to-day changes of the recent past are much different than the sweeping changes we are likely to face in the immediate future. I believe the nation, the world— and certainly the South—are in the middle of a sea change. As we move forward, we need to pay close attention to these sweeping changes and what they require in terms of investments in our human and physical infrastructure. At the same time, I urge all of us not to lose sight of the need to preserve and protect our strong Southern values.

I challenge each of you to embrace the recommendations in this report and welcome change as the route to a new, better South. If we do it right, the South can make a quantum leap forward.

Offering a roadmap to a bold, exciting transformation

Chair, 1998 Commission on the Future of the South Former Governor of Kentucky

The Honorable Martha Layne Collins ow can the South participate fully in the new economy? What should our leaders be doing to make sure all Southerners share the benefits of an improved quality of life? Those were questions facing the 1998 Commission on the Future of the South when members began their work in June 1997.

Our task was to create a vision of the future that would both reflect reality and inspire action. We thought broadly and boldly and then focused our thinking with practical considerations. We never lost sight of the challenges facing the South as global trade barriers fall, international competition intensifies, and cultural and technological change become constant in our lives.

Throughout our deliberations we learned from each other. We come from various backgrounds, reflecting the diversity that is one of the South's strengths. We were not afraid to disagree, but we never lost our commitment to work together. In the end, our discussions brought us to a strong consensus that we can translate our vision into reality. While we tempered our dreams, we never abandoned our high expectations. We know that not all we propose will be accomplished, but our report will be dynamic; it will evolve as times change, as it should.

Our report is compiled in two volumes. This document is a summary of the recommendations for action. The full report is a more detailed document that presents background information and descriptions of existing initiatives, which can be adapted in other states. We hope that, after reading our recommendations, you will share our enthusiasm and optimism for the possibilities ahead of us.

I am very proud of the 1998 Commission on the Future of the South, and I thank the members for their remarkable commitment of time and energy to this work. I know that each member of the Commission shares a sense of privilege. We offer a roadmap to the future, believing that the road ahead will lead us to a bold, exciting transformation of the South.



Chapter 1 Overview: Where we stand

e in the South are at a turning point. No other generation of Southern leaders has been in a position to move the South to the very forefront of American life, economically and otherwise.

The last time an economic turning point of this scale occurred for America was when the internal combustion engine and the automobile hastened the nation's

move from an agricultural to an industrial economy. The South trailed badly in making that transition.

Today the scene is very different. The South is prospering as never before. We are strongly linked to the global economy and our momentum is carrying us in the right direction.

But prosperity and momentum alone will not move us to the forefront. We have to acknowledge the sweeping changes that are taking place in the economy and develop new strategies to seize the opportunities before us.

As Commissioner Michael Hooker emphasized, "The rules of economic activity have changed." Knowledge has replaced energy as the primary means by which value is added to the economy. As a result, "the only competitive advantage available to the South or to any region in the global economy is brainpower."

To gain that competitive advantage the South will have to change

education policies and focus on child development, as well as strengthen our communities and develop economic partnerships. Those are the priorities the members of the 1998 Commission on the Future of the South have established. This report summarizes the Commission's recommendations for action for the next five years.

On one level, our theme — "Connecting with Each Other, Connecting with the Future" — refers to the communications networks that literally connect people, businesses, and other institutions in new ways. It is these connections, linking computers, which have produced today's turning point in human affairs.

Just as important as these literal connections, however, are the personal and social relationships Southerners have always valued, those relationships that can strengthen our families, our schools and faith-based institutions, and the collective life we share as citizens.

In the end, if we fail to connect more fully with one another we cannot fully connect with a better future — no matter how many computers we hook up to the Internet.

"With these issues in mind, the Commission's first task is to start conversations across the South on how to prepare for the next generation," said former Kentucky Governor Martha Layne Collins, chair of the Commission. "Our second aim is to produce action."

We begin with this report.



Chapter 2

Goal: to build vibrant, secure communities

ommissioner Betty Siegel told about an occasion when she visited a sequoia forest in California. As she looked up at the towering trees, the guide with her explained that the roots of the sequoia tree are very shallow.

"What keeps them from toppling over?" Commissioner Siegel asked. She was told that the sequoia tree spreads its

roots just under the soil to reach out to its neighbors. The roots of all the trees in the forest intertwine, anchoring the trees firmly in the ground.

"These soaring trees thrive because they are connected to one another," Commissioner Siegel pointed out. "You never see a sequoia standing alone."

There is a lesson here for us as we approach the task of building vibrant, secure communities.

The soul of the South is in our communities; these are the places where we find sustenance and renewal. But, in many communities, the continuous buffeting of economic change is causing suffering. In inner cities and rural counties across the South, families and communities are struggling with the changing economy.

How can those communities be transformed? What are the elements of a strong community?

When Dr. David Mathews, president of the Kettering Foundation, spoke to the opening session of the 1998 Conference on the Future of the South, he told the audience what studies of communities have revealed.

Researchers compared strong, vibrant communities to nearby, less successful communities of similar demographics and natural resources. They discovered a correlation between the strong community and a healthy economy, good public schools and effective government. "Basket case" economies and ineffective government marked the poorer communities. Why the difference?

"The conclusion was surprising," said Mathews. "Research determined that the community was not strong because it was rich. Rather, it was rich because the community was strong."

If the fabric of the community determines the quality of its institutions, how do we create a strong community?

"We push the decision-making process as far down the line as possible," said Mathews. "It is the people of the community who must make decisions about what they can do to improve their situation in the corner of the world where they live.

"A good community is one where people know what's going on and take responsibility for what happens," he said.

People across the South are building innovative communities with a spirit of experimentation and adventure. Their leaders recognize that broadbased, inclusive, committed community participation is essential.

In the years ahead, the South will become increasingly diverse in population, and we, as a region, have not always valued our diversity.

Looking ahead, we can see a hazardous split in our road. Along one path, we will find anger, tension, and increasing gaps between the haves and the have-nots.

Along the other, we will find deeper connections and stronger communities. We will find understanding and strength in our different cultural traditions. And we will discover a future which offers all children in the South a good chance to realize their vast human potential.

The choice between these two paths is ours and it must be made today.

As Commissioner Isaiah Tidwell reminds us, "We must learn to live together, or we will certainly live with the misery of the consequences."



What we can do as a region:

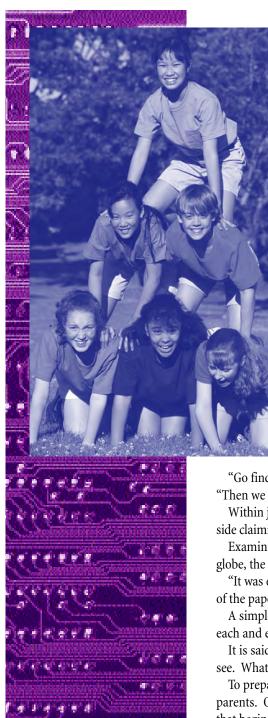
- Establish a Southern Leadership Network to support the region's community leadership programs and encourage networking and collaboration.
- Establish and use practical benchmarks for our quality of life.
- Eliminate all substantial barriers to interstate telemedicine.
- Convene a Southern Health Care Summit to focus regional resources on preventative health.

What each state can do:

- Encourage joint community-building projects among economic development agencies, arts agencies, tourism agencies, and cultural and civic organizations.
- Help local governments establish a process to conduct fiscal impact analyses to measure the financial costs and benefits of public projects, new development, and other community decisions.
- Upgrade civic education, character education, responsibility training, and conflict resolution curricula in primary and secondary schools.
- Encourage colleges and universities to adopt service-learning programs for students and faculty.

What each community can do:

- Work with faith-based institutions and other community-based organizations to launch new, continuous dialogues on racial and cultural diversity.
- Adopt procedures to assess the fiscal impact of local development decisions.
- Establish a community information network similar to Blacksburg Electronic Village.



Chapter 3

Goal: to build healthy environments for our children

A fter a day of working hard, a tired father was relaxing in his favorite chair, reading the newspaper. His four-year-old son bounded into the room and asked his father to go outside and play ball with him.

Hoping to grab a few more minutes of rest, the father tore a large picture of the globe out of the paper, cut it into several pieces and gave them to his son.

"Go find the tape and put this picture of the world back together," he said. "Then we will go outside."

Within just a few minutes the energetic little boy was back at his father's side claiming excitedly, "I did it."

Examining the taped pieces, which were once again in the shape of the globe, the surprised father asked, "How did you do that so quickly?"

"It was easy," said his son. "There is a picture of a child on the back side of the paper. I just put the child together right and the world came out fine."

A simple story, but it illustrates where our own efforts must begin: with each and every infant born in the South.

It is said that our children are a message we send to a future we will never see. What message are we sending? What future are we shaping?

To prepare for tomorrow we must begin with healthy infants and trained parents. Our children must build their future on a foundation of health care that begins in pregnancy, nurturing love in infancy, intellectual stimulation starting in the earliest years, and quality child care, preschool, and kindergarten.

Child development research informs us how to create a healthy environment for our children. We know what to do. The question is, do we have the political will to act?

We can easily become too absorbed in the excitement of the New Economy of the South to hear the voices of our children. But we must listen, and respond, to the millions of children who are in need in our communities.

If they are hungry, our children need food, not a lecture on information technology. If they are cold, they need clothing and a blanket and warm shelter, not access to the Internet. If they can't read, we must be there to teach them to read. We must care for them—one on one, person to person.

We have reason to worry. We have seen profound changes in the way we care for our children in recent years.

By the age of one year, most children in the United States begin some form of child care, usually for 30 hours or more a week. And we operate with a patchwork of early child care. What is worse, recent research shows that parents have very little information to evaluate their child care choices. In today's market we can get more information on buying a funeral than we can about what goes on in our child care centers. The implications for children's health and safety, emotional security, and preparation for school are far-reaching.

Quality child care lies at the core of school readiness. Across the South, too many of our children are growing up in poverty. Because of inadequate child care, we are at risk of losing a large portion of our workforce to inadequate, substandard education.

To move the South to the forefront at this turning point, every community must focus attention on improving life for our youngest children. Our leaders should draw together educators, police officers, faith-based institutions, community service agencies, business leaders and others to create a comprehensive, flexible support system for young children and families. We must remember that no one can make it alone in this economy.



What we can do as a region:

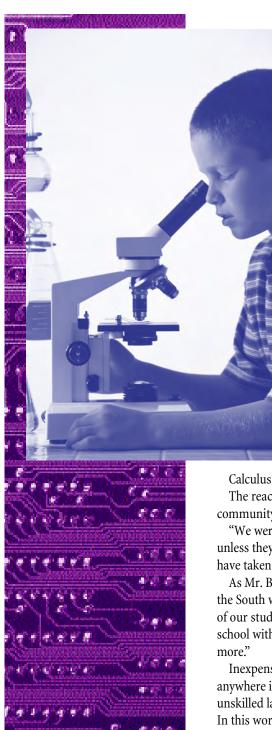
- Establish and use practical benchmarks for young children and families.
- · Select model approaches for the licensing of child care centers.

What each state can do:

- Design a system for early childhood education, as we have done for other aspects of education.
- Develop a comprehensive Starting Points strategy to improve the health and education of young children. This strategy should include educators, health care providers, corporate leaders, law enforcement officials, faith-based institutions, and as many others as we need to move forward aggressively.
- Offer universal preschool for three- and four-year-olds.
- Require full-day, every-day kindergarten.
- · Adopt model legislation for the licensing of child care centers.
- Implement a child care professional development initiative.

What each community can do:

- Launch a comprehensive Starting Points strategy to improve the health and education of young children. Join with faith-based institutions and other community-based organizations to create networks to strengthen families in each community.
- Implement a parenting education initiative similar to Parents as Teachers.



Chapter 4

Goal: to build quality education and world class work skills

he demand for skilled workers has taken hold. Take the case of Shelbyville, Tennessee: "Last year, we had a high-tech tool-and-die company from Michigan approach us about building a plant here," said Robert Barnes, former executive director of the Shelbyville Chamber of Commerce. "One of the first questions they asked us was, 'Can your high school graduates perform calculus?'"

Calculus? In jobs for youngsters who aren't going to college?

The reaction in Shelbyville was what could be expected in virtually any community around the South.

"We were completely taken aback," Mr. Barnes recalled. "The truth is that unless they are on a college track, very few of our high school graduates will have taken a course like that."

As Mr. Barnes wisely observed, "We are facing a second revolution here in the South with respect to the jobs available for non-college graduates. A lot of our students think you can still get a decent-paying job out of high school without knowing a particular set of skills. It's just not true anymore."

Inexpensive industrial land used to be our attraction. Now it is available anywhere in the world. Technology and capital are global. Contracts for unskilled labor are available in less-developed countries at \$80 per month. In this world, our only truly unique resource is our people and their skills.

To give our people the educational foundation to be competitive, we need to set higher standards for both students and teachers, keep more children in school, and provide flexible ways for adults to continue their education throughout their lifetimes.

We know that high expectations can improve student and school performance. Our kids must have a high level of achievement because, as the Education Commission of the States makes clear, education is one of the strongest ways we know to break the cycle of poverty.

The information economy will demand mastery of technology, not some minimum skills that allow a person to get by. Young workers will have to possess an entirely new set of entry level skills as technology reshapes our world and transforms the way we live, work, and relate to one another.

The South faces a serious problem with the disproportionate number of high school dropouts. While the South has 27 percent of the nation's population, we have 40 percent of the dropouts. These people risk becoming a lost generation. Their prospects, never bright, have turned bleak. Their incomes are declining faster than any other group. For every high-school dropout, our economy loses about \$7,000 per year in economic growth.

One of the most critical actions we can take is to develop an aggressive strategy to keep children in school.

What we can do to build high quality education and world class work skills

What we can do as a region:

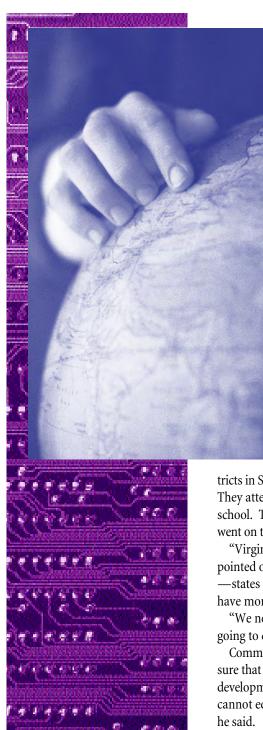
- · Build the Southern Regional Electronic Campus into the leading electronic campus in the world.
- Advocate for a standard national approach for measuring the number and reasons for dropouts.
- Identify the causes and develop strategies for preventing high school dropouts.

What each state can do:

- Develop a plan to teach science and math to international standards as set forth in the Third International Mathematics and Science Study (TIMSS).
- Adopt statewide teacher development incentives and licensure requirements to increase the percentage
 of teachers professionally trained in the subject matter they teach, the use of information technology, and
 ways to manage cultural diversity in the classroom.
- Improve the ability of post-secondary institutions to respond rapidly to industry's ever-changing needs for skilled workers.
- Adopt simple, clear measures for schools to report high school dropouts.
- Build alliances among school districts to expand foreign language education programs.

What each community can do:

- Implement continuous improvement programs for schools that set a minimum of five goals:
 - 1) Every child will be able to read and comprehend by the fourth grade;
 - 2) Every high school graduate will have a rigorous program of mathematics, including algebra, by the ninth grade;
 - 3) Every high school will increase the percentage of its graduates who have successfully completed courses in higher mathematics and physical sciences;
 - 4) Every student will be taught by teachers who are well prepared in the content of their subjects and the techniques of teaching; and
 - 5) Every high school will increase the percentage of graduates proficient in a second language.
- Implement an aggressive dropout reduction program for each school.



Chapter 5

Goal: to build broader economic partnerships

r. Lari Murry, director of Research and Development
Programs at the Oklahoma Center for the
Advancement of Science and Technology, spoke at the
1998 Conference on the Future of the South about the need
for the South to stop exporting its children.

"I'm the mother of two talented, female children," she related. "They began school in Missouri at one of the best school dis-

tricts in St. Louis. They had the advantage of schools in Fairfax, Virginia. They attended high school in Norman, Oklahoma—an excellent high school. They went to Tennessee to Vanderbilt University and one of them went on to Emory University in Georgia.

"Virginia, Oklahoma, Tennessee, Georgia— all Southern states," she pointed out. "But my daughters went to work in Massachusetts and Texas—states rich in R&D, venture capital, scientists, and engineers. Those states have more financial specialists and cutting edge companies."

"We need to keep our educationally advantaged kids in the South if we're going to create these companies," Dr. Murry said.

Commissioner Wayne Sterling agreed. "We've got to find a way to make sure that infrastructure, transportation, and all other facets of the economic development arena are present where people live and want to work. We cannot educate them and send them to the North or other nations to work," he said

In the South we have proven our ability to build strong, productive partnerships in economic development. That is how we have transformed our economy from a Depression-era basket case to a global powerhouse today. But the benefits of that progress are not evenly shared across our region.

In the years ahead, we need to guide our energies to an expanded set of economic development challenges. Strengthening market forces is the only sure way to build jobs and incomes in our most distressed areas.

As Puerto Rico Governor Pedro Rosselló and Commissioner Norma Burgos, Puerto Rico's Secretary of State, have pointed out, one of the largest opportunities we face is the emerging, integrated economy in Central and South America. The Free Trade Area of the Americas is nearly three times the size of the European Union. It encompasses 800 million potential consumers, with the South as the entry point.

To seize these opportunities we have to understand the dynamics of the new, networked economy. Used by large corporations and financial institutions around the world, technological tools are reshaping the economy, resulting in the easy flow of capital, new alliances, and new manufacturing processes.

The South's leaders must learn about these new tools. Any modern leader who is ignorant of these is like a governor in the 1930's who would have reformed his state's tenant farm system without considering the power of the tractor.

With \$1.9 trillion in total Gross State Product — making it the third largest economic power in the world — the South is inescapably tied to the

global economy and must fashion a broad strategy for harnessing international commerce.

Erik Peterson, of the Center for Strategic and International Studies in Washington, D.C., addressed the challenge of the global economy at the Conference on the Future of the South.

"Many Americans equate globalization with negatives — financial 'bail-outs,' poor environmental conditions in countries with lax regulations, and lost jobs when low-wage plants move production overseas," he said. "What the media fails to report are the benefits of globalization, many made possible through technology."

Peterson said these benefits include instant Internet access to consumer markets overseas; an explosion of high-paying, high-tech jobs; greater consumer choice; and increased competitiveness of American firms.

Another important growth opportunity that we should focus on is tourism. The South is rapidly gaining market share, especially among international visitors to the United States. We need to capitalize on this growth. ■

What we can do to build broader economic partnerships

What we can do as a region:

- Create new, regional approaches to financing infrastructure, especially in areas where we need jobs: urban core neighborhoods and distressed rural counties.
- Develop innovative regional coalitions to improve workplace skills.
- Coordinate state telecommunications policies to accelerate the deployment of an affordable, high-capacity, seamless information infrastructure throughout the South.
- Develop the most efficient intermodal transportation corridors in the world.
- Implement innovative regional public-private initiatives to create and support competitive companies in inner cities and rural areas.
- Implement a regional initiative to promote the development of an integrated market of the Americas.
- Promote the South more aggresively in international markets.
- Educate leaders and students on the challenges and opportunities of the New Economy.

What each state can do:

- · Build an entrepreneurial infrastructure to support the growth of home-grown businesses.
- Double the level of university-based research leading to commercial development.
- · Generate matching funds as an incentive to encourage university-industry partnerships.
- · Invest in high capacity information infrastructure.
- Upgrade state incentives for local tourism development.

What each community can do:

- Improve the responsiveness of government.
- Build business-to-business networks to support entrepreneurs, similar to the Council for Entrepreneurial Development.
- Teach foreign languages to more students.
- Implement entrepreneurial education curricula in the schools.
- Incorporate tourism into local economic development plans.



Chapter 6 Moving from ideas to action

t one point during World War II, when there was a lull in the fighting, Winston Churchill warned the weary British citizens that there were still rough times ahead. "This is not the end," he said. "It is not even the beginning of the end. But it is, perhaps, the end of the beginning."

The 1998 Commission on the Future of the South has come to the same point — the end of the beginning. The members have reached agreement on the actions necessary to propel the South into the lead at this turning point.

Now is the time to act.

The recommendations presented here arise out of experience. All over the South people and organizations have created pockets of excellence in early childhood education, telemedicine, distance learning, technology transfer, and incubators for new business. The Commission has included many examples of these and other programs in the final report that accompanies this summary.

Collectively we in the South have already learned a lot about what works to alleviate our problems and achieve our promise. So we don't have to start from scratch, and we don't have to start alone.

Inspired leadership is essential if we are to accomplish the goals established by our Commission. Our success in the past was won because people joined in common cause. The future holds more complex challenges—and

greater rewards. We must strengthen the ties among us to meet the challenges and reap the rewards.

It is time to put our recommendations on the public agenda. One of our first tasks is to educate local leaders within each Southern state about the consequences of the New Economy. They must begin the conversations in their communities that will lead to action.

To begin these conversations, we propose a series of Southern Leadership Summits. These meetings should start with a general summit for Southern leaders.

Subsequent summit meetings should focus on specific issues: health care and telemedicine, child care, and others. These conversations will connect us with each other, and we can then connect to a future of possibility and promise for all of us.

For additional information on the Commission and the background to this report, contact:

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About the Board

Alabama **Arkansas Florida** Georgia Kentucky Louisiana Mississippi Missouri North Carolina Oklahoma Puerto Rico South Carolina Tennessee Virginia West Virginia



Formed by the region's governors in 1971, the Southern Growth Policies Board is charged with creating strategies for economic development that address the diverse, interrelated factors affecting the South's economic base. The Board complements traditional approaches to economic development with inno-

vative strategies to strengthen the communities of our region.

Commissions on the Future of the South have been an integral part of the work of the Southern Growth Policies Board since its earliest days. Convened every six years, they have provided a means for public and private-sector leaders to assess the region's condition and propose a set of regional objectives which become an economic development policy agenda for the South.

The Board is a unique vehicle for regional cooperation and planning, as well as public-private partnership building. The Board has five members from each of the participating states and territory: the governor, two citizens appointed by the governor, a state senator and a representative. This broad-based membership is a critical combination in creating successful development strategies in today's complex and highly interdependent world.

Ongoing Board projects define the critical issues shaping our region—including technology, globalization, and education — and offer related policy recommendations and model programs. An annual Conference on the Future of the South brings together the leadership of the region to examine these and other topics in depth. Two divisions of the Board, the Southern Technology Council and the Southern International Trade Council, focus their efforts on developing strategies to strengthen the South's environment for technology development and commercialization as well as international business. And a partnership with the Southern Consortium of University Public Service Organizations links the Board with a training and technical assistance network that reaches state and local government officials as well as non-profit leaders throughout the region.

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