The Building Blocks of Community Development

MDC
Expanding Opportunity • Reducing Poverty • Building Inclusive Communities
MDC, INC.
The mission of MDC is to advance the South through strategies that expand opportunity, reduce poverty, and build inclusive communities. The organization furthers its mission by analyzing economic, workforce, and demographic trends to identify challenges that impede progress for the region and its people. To address those challenges, MDC works from multiple angles, including: developing responsive public policies; demonstrating effective programs; building institutional and community capacity for progress; and informing the public dialog on development issues.

Established in 1967 to help North Carolina make the transition from an agricultural to an industrial economy and from a segregated to an integrated workforce, MDC has spent the last 35 years publishing research and developing policies and programs to strengthen the workforce, foster economic development, and remove the barriers between people and jobs. MDC now works to facilitate the South’s transition to a high-performing, multiracial society where economic, workforce, and community development work for all people and communities.

MDC is a private, nonprofit organization supported with grants and contracts from foundations; federal, state, and local governments; and the private sector.

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Introduction

The challenges facing rural communities and central city neighborhoods in the South are immense, and only a comprehensive approach to economic development can hope to address them. This paper is intended as a resource, a place to start for local leaders striving to find solutions. It lays out a framework of related issues that together form the six, interrelated building blocks to economic prosperity. They are:

- Business Development
- Workforce Development
- Physical Infrastructure
- Social Infrastructure
- Cultural and Environmental Stewardship
- Civic Infrastructure

A New View of Economic Development

Historically, the South has viewed economic development more narrowly than this Building Blocks model. Through much of the Twentieth Century, the region sought to capitalize on the assets it had – abundant land and a surplus of undereducated workers – to spur economic development. Combined with other factors, this formula resulted in a concentration of low-skill, low-wage labor. Growing numbers of people moved into nonagricultural work, though it failed to lift them out of poverty. Moreover, by the late Twentieth Century the South found that it could no longer compete with other areas of the world that offered low-cost, high-skill labor. Visionary leaders soon recognized that the old recipe for economic progress no longer worked.

The Building Blocks of Community Development provides the region’s leaders with a comprehensive new paradigm for understanding economic development. Economic development is not just about the creation of jobs. It is the process by which a community or region increases the standard of living of all of its residents. Viewed this way, economic development is part of a larger process of community development, through which a community provides for its citizens the institutions and amenities they need to live in comfort and security. The attributes of a fully developed community – inclusive community leadership, effective schools, access to quality medical care, ample opportunity for productive and lucrative work, good roads and clean water – are both a by-product of positive economic performance and a foundation for future prosperity. These are the true measures of economic progress.

As a community seeks to develop a healthy, competitive, and sustainable economy, it must first construct a strong economic base. Focusing only on traditional goals of job creation and increased production leaves that base vulnerable to changing economic trends. To build a lasting foundation, communities should strive to create the conditions necessary for supporting a cycle of development. First, a community needs good jobs that allow people to build and reinvest wealth. This, in turn, generates revenue for public and private investment in effective schools, innovative government, strong
development and community organizations, and the physical and social infrastructure. These investments result in a capable, productive workforce; a safe, appealing environment; good public health; and broad community involvement. Finally, these conditions cycle back to the beginning, providing the foundation for good jobs.

The Cycle of Development

Looking forward, the South will need to make a fundamental shift in its strategy for development in order to produce economic conditions that will support this cycle of development. Both urban and rural leaders will need to manage these necessary transitions from an emphasis on growth as a goal to an emphasis on development as a goal.

<table>
<thead>
<tr>
<th>From emphasis on growth as a goal</th>
<th>To emphasis on development as a goal</th>
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<tbody>
<tr>
<td>More jobs</td>
<td>More high-quality jobs</td>
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<tr>
<td>Low-skill, low-wage labor</td>
<td>High-skill, high-value labor</td>
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<tr>
<td>Traditional infrastructure (roads, water, sewer, etc.)</td>
<td>Traditional plus emerging infrastructure (telecommunications)</td>
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<tr>
<td>Human services, such as child and elder care, health care, and housing, as peripheral to development</td>
<td>Human services as integral to development</td>
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<tr>
<td>Heritage preservation, i.e., protecting the physical and built environment, as grounded solely in the past</td>
<td>Utilizing cultural and environmental assets as tools for community building and development</td>
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<tr>
<td>Maintaining traditional models of civic participation and governance</td>
<td>Developing broad, diverse community leadership and a government that works for all people</td>
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The six building blocks presented in the following pages offer a comprehensive framework for effectively navigating the transition to a stronger economic foundation and a more equitable community. The description of each building block includes a set of potential goals, a summary of relevant challenges, and a series of possible strategies (including specific examples and resources) to overcome those challenges. An introductory outline of each block and its goals follows.
<table>
<thead>
<tr>
<th><strong>Business Development</strong></th>
<th><strong>Workforce Development</strong></th>
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<tr>
<td><strong>Vision:</strong> Build the economic base and create larger numbers of higher-quality jobs – jobs that provide a living wage, good benefits, and potential for advancement.</td>
<td><strong>Vision:</strong> Create a high-skill, high-value workforce, the human resource base required for the knowledge economy.</td>
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<td>Goals:</td>
<td>Goals:</td>
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<tr>
<td>• Reorient the economic base to be more competitive in the knowledge economy.</td>
<td>• Educate every child to the high standards demanded by society and the economy.</td>
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<tr>
<td>• Foster entrepreneurial development.</td>
<td>• Help all adults stay fit for work in the knowledge economy.</td>
</tr>
<tr>
<td>• Build the assets and resources necessary for economic development in low-wealth communities.</td>
<td>• Provide the skills necessary for adults with low literacy levels and other barriers to employment to participate in the economic mainstream.</td>
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<th><strong>Social Infrastructure</strong></th>
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<td><strong>Vision:</strong> Utilize transportation and telecommunications to connect the community with distant markets, people, and educational options; provide essential infrastructure to ensure public health and safety.</td>
<td><strong>Vision:</strong> Provide social supports to enable all people to live and work with dignity.</td>
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<td>• Provide pathways to self-sufficiency for economically vulnerable persons and families.</td>
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<td><strong>Vision:</strong> Preserve and enhance the natural, cultural, historical, and built environments.</td>
<td><strong>Vision:</strong> Create a culture of civic decision-making and problem-solving that is forward looking, accountable, and inclusive.</td>
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<td>• Develop the civic capacity of communities to address their own challenges and opportunities.</td>
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<td>• Preserve clean air and water as community assets and health necessities for future generations.</td>
<td>• Bridge the fault lines of race and class that inhibit community progress and erode civic health.</td>
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BUSINESS DEVELOPMENT

Creating a strong economic base requires community leaders to be as concerned about building the income and assets of local residents as they are about job creation and increased productivity. Under this framework, business development must be supported by an emphasis on job equity, job security, and poverty alleviation. Only then will an economy truly work for all people over time. *A comprehensive vision of business development entails building the economic base and creating larger numbers of higher-quality jobs – jobs that provide a living wage, good benefits, and the potential for advancement.* In keeping with this vision, Southern communities should focus on three goals for business development:

- Reorient the economic base to be more competitive in the knowledge economy.
- Foster entrepreneurial development.
- Build the assets and resources necessary for economic development in low-wealth communities.

Challenges

Many challenges have impeded progress toward these goals. During the last half of the Twentieth Century, the South prospered as a home for low-wage, low-skill routine manufacturing. As globalization and technological innovation have forced fundamental changes in industrial employment, the presence of traditional manufacturing has plummeted, permanently eroding the economic foundations of many communities. According to a 2000 study by the Southern Rural Development Center, manufacturing industries in the South employed fewer people in 1998 than in 1990; in that same time-span, seven of every ten new jobs were primarily in the low-wage service sector.

In an attempt to replace the departed industries, many rural communities still concentrate their hopes for renewal on outdated concepts of industrial recruitment while ignoring or underutilizing local assets. Communities often see themselves as having no choice but to embark on the industrial buffalo hunt, even though many rural areas lack the workforce, infrastructure, and amenities that industry requires to thrive.

Furthermore, many rural and central city communities share an inability to adapt to the higher-growth industries that drive the knowledge economy. Cities such as Austin, TX, and Raleigh-Durham-Chapel Hill, NC, have capitalized on the presence of local universities and a knowledge-rich workforce to emphasize high-tech services and the information technology sector. The result has been exponential employment growth over the last two decades. Other large cities throughout the South have similarly flourished by focusing on such high-growth sectors as financial services, global trading and manufacturing, and tourism. “New economy” cities like these increasingly determine the fortunes of the South, while many Southern cities and rural areas remain mired in slow-growth, low-value-added industries.
Strategies

**Reorient the economic base to be more competitive in the knowledge economy.**

- Support existing businesses as they transition to the new production structures and marketing techniques demanded by the changing economy. Promising resources include:
  - North Carolina Small Business and Technology Development Center, Raleigh, NC (www.sbtdc.org)
  - Enterprise Corporation of the Delta, Jackson, MS (www.ecd.org)
- Develop industry clusters to enhance the competitiveness of interrelated small and medium-sized businesses. A promising example is:
  - Hosiery Technology Center, Hickory, NC (www.hosetec.com)
- Establish flexible business networks that foster interfirm collaboration and engender economies of scale. Promising examples include:
  - Northeast Oklahoma Manufacturers Council, Okmulgee, OK (www.ocevnet.org/neomc)
  - Appalachian by Design, Lewisburg, WV (www.abdinc.org)

**Foster entrepreneurial development.**

- Establish community development financial institutions that provide financing for new businesses. Promising examples include:
  - Center for Community Self-Help, Durham, NC (www.self-help.org)
  - Arkansas Enterprise Group, Arkadelphia, AR (www.arenterprise.org)
  - Appalbanc, Berea, KY
- Identify and develop comparative advantages and assets. A promising resource is:
  - American Planning Association’s *Understanding Your Economy* guidebook
- Encourage skills development and entrepreneurship training through community college and university programs and private sector investments. A promising resource is:
  - REAL Enterprises (www.realenterprises.org)

**Build the assets and resources necessary for economic development in low-wealth communities.**

- Pool resources by emphasizing a regional approach to business recruitment and development. A promising example is:
  - New River Valley Region, Southwestern Virginia (www.nrvalliance.org)
- Develop the capacity of community-based philanthropies that create opportunities for a revived economy. Promising examples and resources include:
  - East Tennessee Foundation, Knoxville, TN (www.easttennesseefoundation.org)
  - Southern Philanthropy Consortium (www.secf.org/SpecialProjects_sophil.asp)
WORKFORCE DEVELOPMENT

For much of the Twentieth Century, the South’s attitudes about workforce development and education reflected its limited vision of business development. The South can no longer rely on low-skill labor, low-wage jobs, and low-value-added industries if its workforce hopes to keep pace in a dynamic economy. A comprehensive vision of workforce development entails building a high-skill, high-value workforce, the human resource base required for the knowledge economy. In keeping with this vision, Southern communities should focus on three goals for workforce development:

- Educate every child to the high standards demanded by society and the economy.
- Help all adults stay fit for work in the knowledge economy.
- Provide the skills necessary for adults with low literacy levels and other barriers to employment to participate in the economic mainstream.

Challenges

The challenges confronting this vision of workforce development can be separated into two spheres – challenges facing the K-12 system and challenges facing adult education and training. For K-12 schools, perhaps the most glaring challenge is the persistent achievement gap that separates poor and minority students from their counterparts. A 2001 national study by The Education Trust shows that African American and Latino students obtain college degrees at half the rate of white students. Even more alarmingly, the report notes that students from wealthy families (income in the top quartile) are nearly seven times as likely as students from poor families (bottom quartile) to earn a bachelor’s degree.

Many factors contribute to form these disparities. A profound lack of resources is one factor, as low-wealth rural and central city school districts are vastly underfunded. In the same study, The Education Trust highlights an average funding disparity of $1,139 per student between high-poverty and low-poverty school districts – a difference of $34,170 in investment in each class of 30 students. Another factor is that high-poverty school districts have higher percentages of unqualified and inexperienced teachers. Diminishing levels of political support for public schooling, a lack of community engagement and accountability, and a culture of low expectations that permits many students to be labeled as low performers and dismissed as expendable are also factors. As a result of these varying factors, too many students graduate from high school without the skills or pathways needed for a successful transition to college or to the workforce.

A primary challenge in the field of adult education is that the rapid transition to the knowledge economy has left many adults without marketable skills. They find themselves marooned in low-wage, service sector jobs with few opportunities for upward mobility. This cycle remains difficult to break, as many job training and welfare-to-work programs focus primarily on job placement rather than on job quality and upward mobility. In addition, a more specific challenge facing adult educators is how to meet the educational and social service needs of the expanding Latino immigrant population.
Strategies

_Educate every child to the high standards demanded by society and the economy._

- Foster culture of high expectations for every child. A promising example is:
  - Indiana School Guidance and Counseling Leadership Project (www.mdcinc.org/past_projects); Indiana Student Achievement Institute (http://asai.indstate.edu/indiana_student_achievement_institute.htm)

- Deepen community support and accountability. Promising examples and resources include:
  - Public Education Network (www.publiceducation.org)
  - Texas Interfaith Education Alliance, Austin, TX (www.aecf.org/publications/advocasey/organizing)

- Create seamless transitions from school to college and school to work. A promising example is:
  - Alliance for Achievement Initiative (www.mdcinc.org/past_projects)

_Help all adults stay fit for work in the knowledge economy._

- Make education a lifelong process, utilizing community colleges in particular as flexible, accessible institutions where adults can upgrade their skills in order to keep pace with the demands of the changing economy. Promising examples include:
  - Miami-Dade Community College, Miami, FL (www.mdcc.edu)
  - El Paso Community College, El Paso, TX (www.epcc.edu)

_Provide the skills necessary for adults with low literacy levels and other barriers to employment to participate in the economic mainstream._

- Develop the capacity and effectiveness of the employment and training system. A promising resource is:
  - The Annie E. Casey Foundation’s Jobs Initiative (www.aecf.org/jobsinitiative)

- Emphasize job quality and opportunities for advancement in job training and placement programs. Promising examples include:
  - Project Quest, San Antonio, TX (www.questsa.com)
  - Good Faith Fund, Pine Bluff, AR (www.arenterprise.org)

- Provide immigrants with the needed services, education, and skills training to maximize their contribution within the workforce.

**PHYSICAL INFRASTRUCTURE**

Given the breaking tidal wave of globalization, a vision for a comprehensive and equitable physical infrastructure in rural and central city communities now involves much more than simply repairing roads or accessing clean water. _A comprehensive vision for a strong physical infrastructure entails utilizing transportation and telecommunications to connect the community with distant markets, people, and educational options; and_
providing essential infrastructure to ensure public health and safety. In keeping with this vision, Southern communities should focus on three goals for physical infrastructure:

- Provide the infrastructure (water, sewer, air) required to safeguard public health.
- Connect communities in the economic shadows to areas with economic activity.
- Invest in the basic infrastructure needed for the knowledge economy.

### Challenges

Rural and central city communities in the South face significant challenges as they strive to improve their physical infrastructure. Water and sewer systems that do not meet the needs of development are a continual challenge to public health in central city neighborhoods. Contrastingly, rural communities have always faced problems of underdevelopment, resulting in insufficient or nonexistent water and sewer systems. In addition, poor air quality is a growing concern in both central city and rural communities.

Both rural communities and central city neighborhoods in the South suffer from a lack of transportation options. Many residents in low-wealth communities do not have use of a car, and there is often not a reliable or comprehensive system of public transportation to use as an alternative. On a broader scope, while most metro areas are well positioned along routes of economic activity, rural areas often struggle to establish transportation links to distant markets. Sufficient transportation infrastructure is increasingly needed for the global economy to reach into disconnected rural communities and vice versa.

A strong telecommunications infrastructure can reduce that distance to the click of a mouse, so bridging the so-called digital divide is a final challenge for both rural and central city communities. Lacking a telecommunications infrastructure puts businesses and educational institutions at a distinct disadvantage in today’s economy.

### Strategies

**Provide infrastructure required to safeguard public health.**

- Establish collaborative partnerships to improve air and water quality. A promising example is:
  - Chattanooga, TN

- Leverage community resources to enable access to water in underdeveloped areas. A promising example is:
  - Coalfield Water Development Fund, Big Stone Gap, VA
    - [www.me.cc.va.us/dept/fdnpages/water.htm](http://www.me.cc.va.us/dept/fdnpages/water.htm)

**Connect communities in the economic shadows to areas with economic activity.**

- Develop local public transportation networks as both a necessary service and a potential source of employment. A promising resource is:
  - Community Transportation Association of America ([www.ctaa.org](http://www.ctaa.org))

- Establish regional partnerships to develop road, air, and rail infrastructures needed to connect to areas of economic vitality.
Invest in the basic infrastructure for the knowledge economy.

- Spread affordable telecommunications access to rural communities and central city neighborhoods. Promising examples and resources include:
  - LaGrange, GA (www.lagrange-ga.org/cityGovernment/economicDevelopment.cfm)
  - Blacksburg Electronic Village, Blacksburg, VA (www.bev.net)
  - Explornet, Inc. (www.explornet.org)

**SOCIAL INFRASTRUCTURE**

A community’s social infrastructure, including such supports as health care, child and elder care, affordable housing, and income support programs, increasingly determines the success of development efforts that seek to build the capacity for sustainable economic prosperity. Without these human and social supports, marginalized people and communities often do not have the assets to weather economic downturns. *A comprehensive vision for a strong social infrastructure entails providing social supports to enable all people to live and work with dignity.* In keeping with this vision, Southern communities should focus on three goals:

- Provide affordable, quality health care for all people.
- Provide pathways to self-sufficiency for economically vulnerable persons and families.
- View safe, affordable housing as a human right and home ownership as an asset-building tool for families and communities.

**Challenges**

Each of the aforementioned areas of social support has reached a level of crisis in the South. As of 1999, 17.6 percent of Southerners had no health insurance coverage, and the figure is higher for such demographic segments as poor people, people of color, people with low educational attainment, and people living in rural areas (Current Population Survey, 2000). Compounding this problem, rural communities and central city neighborhoods have on average far fewer health care facilities and trained health care providers than do suburban communities. Furthermore, this comes at a time when the country’s population is aging rapidly. By 2010, the South will have an estimated 2.3 million more people ages 65 years and older (*State of the South 2000*).

This lack of access to health care and other social supports is a particularly daunting problem for economically vulnerable families. Welfare programs have not been widely successful in alleviating poverty or in preparing people for long-term success in the labor market. Many people who have transitioned from welfare to work continue to face significant barriers – low wages, expensive child care, inadequate health care, limited transportation options, etc. – to maintaining self-sufficiency. For example, according to a 2000 report by the Urban Institute, low-income families (annual earnings of no more than 200 percent of the federal poverty level) spend an average of 16 percent of their monthly earnings on child care (compared to the 6 percent spent by higher-earning families).
Housing represents another critical social support, yet rural communities and central city neighborhoods suffer from a paucity of public and private investment in low-income housing. In addition, local and state zoning policies often fail to encourage affordable housing development, while at the same time predatory lending that targets poor and marginalized persons has also become increasingly widespread.

**Strategies**

*Provide affordable, quality health care for all people.*
- Expand health insurance coverage so that more families can afford high-quality health care services.
- Increase access to health care, both by establishing more facilities in low-wealth communities and by increasing the numbers of trained health care providers serving rural areas and central city neighborhoods. Promising examples include:
  - Rural Health Group, Halifax and Northampton Counties, NC
- Increase access to affordable, quality care for the elderly and for those who cannot be self-sufficient.

*Provide pathways to self-sufficiency for economically vulnerable persons and families.*
- Reconfigure welfare-to-work programs to focus on poverty alleviation, continuing job skills training, and placement in jobs with opportunities for advancement. Promising examples and resources include:
  - Federal Express Families First Partnership, Memphis, TN
  - Marriott International’s Pathways to Independence Program ([www.marriottnewsroom.com](http://www.marriottnewsroom.com))
  - National Campaign for Jobs and Income Support ([www.nationalcampaign.org](http://www.nationalcampaign.org))
- Increase access to affordable, quality child care. Promising examples include:
  - Save the Children Child Care Support Center, Atlanta, GA ([www.calib.com/peerta/inn_prog/subtopics.cfm?comID=34](http://www.calib.com/peerta/inn_prog/subtopics.cfm?comID=34))
  - Employer’s Child Care Alliance, Lee County, Alabama ([www.nccic.org/ccpartnerships/profiles/ecca.htm](http://www.nccic.org/ccpartnerships/profiles/ecca.htm))
- Utilize income support and asset development strategies for low-income workers. Promising examples include:
  - Individual Development Accounts (Corporation for Enterprise Development – [www.cfed.org](http://www.cfed.org))
  - Earned Income Tax Credit (federal and state)

*View safe, affordable housing as a human right and home ownership as an asset-building tool for families and communities.*
- Create state and local policies that encourage housing development through use of appropriate land and housing regulations and enforcement of fair mortgage lending. A promising resource is:
  - National Low Income Housing Coalition ([www.nlihc.org](http://www.nlihc.org))
Create incentives, subsidies, and partnerships to make housing affordable for low-wealth families. Promising examples include:
  - Atlanta Neighborhood Development Partnership, Inc. (www.andpi.org)
  - Metropolitan Housing and CDC, Washington, NC

**CULTURAL AND ENVIRONMENTAL STEWARDSHIP**

Against a backdrop of rapid population growth and mobility, preserving cultural and environmental assets is an increasingly central aspect of economic development in Southern rural communities and central city neighborhoods that are closely tied to place. A comprehensive vision of cultural and environmental preservation entails preserving and enhancing the natural, cultural, historical, and built environments of these communities. In keeping with this vision, Southern communities should focus on three goals:

- Preserve, develop, and capitalize upon the distinctive cultural and historical assets of the community, and define culture inclusively.
- Balance the need for development and preservation in land use and environmental stewardship.
- Preserve clean air and water as community assets and health necessities for future generations.

**Challenges**

Most communities underinvest in cultural assets as a development tool, and movements toward multiculturalism and globalization threaten to discount unique qualities of Southern people and places before they are identified and cultivated as assets. Furthermore, historical sites and symbols often carry different cultural meanings for different people and sometimes become sources of conflict. Thus, while developing cultural assets is an integral aspect of building community, it must be approached with sensitivity and understanding.

The virus-like threat of suburban sprawl represents a principal challenge to environmental preservation. According to a 1998 Sierra Club report, the Atlanta metropolitan area grew by 47 percent between 1990 and 1996. This type of unchecked growth, fed by poor land use policies, threatens both the natural environment and the quality of life in rural communities, central city neighborhoods, and suburban areas across the South. In addition, both air and water pollution threaten the environment. The physical infrastructure section of this report highlighted the public health concerns caused by pollution, but no less important is the effect environmental degradation has on a community’s long-term economic outlook.

**Strategies**

*Preserve, develop, and capitalize upon the distinctive cultural and historical assets of the community.*

- Develop tourism and business opportunities based on cultural, historical, and environmental assets. Promising examples and resources include:
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- Delta Cultural Center, Helena, AR (www.deltaculturalcenter.com)
- Resourceful Communities Program, North Carolina Conservation Fund (www.conservationfund.org/conservation/sustain/index.html)
- Handmade in America, Asheville, NC (www.wnccrafts.org)

Utilize historical sites and visitor centers to value both distinctive and collective histories. Promising examples include:
  - Birmingham Civil Rights Institute (http://bcri.bham.al.us)
  - Museum of the New South, Charlotte, NC (www.museumofthenewsouth.org)

Pursue collaborative and resident-influenced Main Street and neighborhood revitalization projects. Promising examples and resources include:
  - The National Trust for Historic Preservation’s Inner City Venture Fund (www.nthp.org/community_partners/loan.html)
  - Savannah, GA

Balance the need for development and preservation in land use and environmental stewardship.

- Manage sprawl and ensure smart growth by utilizing such strategies as urban infill, open space protection, regional planning, and others. Promising examples and resources include:
  - Baton Rouge, LA (www.planbr.com)
  - Sea Islands (SC) Preservation Project (www.sustainable.org/casestudies/SIA_PDFs/SIA_South_Carolina.pdf)
  - Sierra Club (www.sierraclub.org)

- Develop more responsible and effective land use policies.

Preserve clean air and water as community assets and health necessities for future generations.

- Enforce and strengthen state and local regulations on pollution affecting air and water quality.
- Research, develop, and implement greener energy sources and their uses as both a business development and environmental preservation tactic.

CIVIC INFRASTRUCTURE

For a community to reach and maintain its full potential economically, it must be civically healthy and inclusive or its own pathologies will prevent its sustained viability. A comprehensive vision for a strong civic infrastructure entails creating a culture of civic decision-making and problem-solving that is forward looking, accountable, and inclusive. In keeping with this vision, Southern communities should focus on three goals:

- Ensure open and accountable government that hears and values all voices.
- Develop the civic capacity of communities to address their own challenges and opportunities.
- Bridge the fault lines of race and class that inhibit community progress and erode civic health.

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Challenges

In many communities, the challenges to progress are deeply entrenched. For example, in rural communities and central city neighborhoods in particular, the power structures and resources often lie in the hands of a few people. The presence of an exclusive leadership network severely limits the economic possibilities of communities because it discourages entrepreneurship and innovation, limits opportunities for collaboration, and creates hindering divisions and conflicts. Very few communities feature comprehensive leadership development programs that reach people of color, people living in low-wealth neighborhoods, and others who are not part of the traditional power structure. Out-migration from rural communities and an aging population throughout the South further limit the leadership pool.

In addition, many cities and towns suffer from a disorganized or unraveled network of community relationships, signifying that building civic infrastructure will not be an easy task. Community-wide formal and informal networks are declining. Furthermore, many rural communities and central city neighborhoods lack the institutional capacity needed to foster and sustain community development efforts. Foundations and intermediaries have traditionally not done enough to support community-building processes because it has often been viewed as messy work that pursued secondary outcomes.

Finally, racial discrimination is an institutionalized reality in all sectors of society and presents a great challenge to economic development in Southern communities. Discrimination persists not solely in personal attitudes and behavior, but more insidiously in housing and lending policies, employment practices, educational and justice systems, etc. Efforts aimed at civic engagement and participation will quickly end in conflict unless from the beginning communities address these policies and other long-standing effects of historical racism.

Strategies

Ensure open and accountable government that hears and values all voices.

- Engage in inclusive, equitable community visioning, planning, and implementation. Promising examples and resources include:
  - Chattanooga Venture, Chattanooga, TN (www.sustainable.org/casestudies/tennessee/TN_af_chattanooga.html)
  - Study Circles Resource Center (www.studycircles.org)

- Increase citizen political participation through grassroots mobilization. Promising examples include:
  - Fort Worth Coalition for Community Change, Fort Worth, TX
  - New Road Community Development Group of Exmore, Exmore, VA (http://leadershipforchange.org/awardees/awardee.php3?ID=35)

Develop the civic capacity of communities to address their own challenges and opportunities.

- Identify and utilize leadership development programs that broaden and diversify the local leadership pool. Promising examples and resources include:
  - The Common Enterprise, San Antonio, TX
Strengthen the formal and informal networks that build social capital.

Build the capacity of local and regional organizations that serve as catalysts for community development. Promising examples include:

- Ford Foundation’s Rural Community College Initiative (www.mdcinc.org/rcci)
- Mountain Association for Community Economic Development, Berea, KY (www.maced.org)

Bridge the fault lines of race and class that inhibit community progress and erode civic health.

- Identify and challenge racially discriminatory policies in the public and private sectors, maintaining an emphasis on compensating for negative effects. Promising examples include:
  - Project Change (www.projectchange.org)
  - People’s Institute for Survival and Beyond, New Orleans, LA (www.thepeoplesinstitute.org)

- Implement programs of racial reconciliation and community building that recognize past and present divisions and work toward healing and reversing institutionalized practices. Promising examples include:
  - Partnership Project, Greensboro, NC
  - Eau Claire Community Council, Eau Claire – North Columbia, SC (www.indivisible.org/SCgallerystory.htm)