

BEYOND THE INTERSTATE:

by

Larry Lee and
Joe A. Sumners



AUBURN UNIVERSITY



ECONOMIC DEVELOPMENT INSTITUTE



The Crisis in Rural Alabama



As a land-grant institution, Auburn University has long served the needs of rural Alabama counties through its research, cooperative extension, and other program initiatives. Many of our extended Auburn family of alumni live, work and are leaders in these communities. Thus Auburn, perhaps more than any other university, has a vested interest in the viability and quality of life in rural Alabama. This publication, *"Beyond the Interstate: Crisis in Rural Alabama,"* presents a comprehensive analysis of the disparities between Alabama's rural and urban communities. I invite you to read it thoughtfully and join us at Auburn University in addressing the issues outlined in this fine work.

Sincerely,

William F. Walker
President

With its many resources, Alabama has great potential to become a progressive and economically sound state. However, it cannot reach this potential as long as a significant portion of the state - rural Alabama - lags hopelessly behind the rest. *"Beyond the Interstate: Crisis in Rural Alabama"* compellingly underscores this reality. Auburn has been at the forefront of this issue for years, working with citizens to strengthen rural communities, and there has been progress. Yet, there is much more that can be done. This report is a call not only for Auburn to redouble its efforts, but for the state as a whole to make a commitment to help our rural neighbors fully participate in the fruits of Alabama's renewal.

Sincerely,

David Wilson
Vice President and Associate Provost for University Outreach



Larry Lee

The purpose of *Beyond the Interstate* is to call attention to a problem that has been ignored too long - the crisis in rural Alabama. Many of the problems faced by Alabama's rural communities are systemic and offer few easy solutions. This is probably why state and local leaders have been reluctant to step up to the plate to confront these challenges. But the problems are getting worse and the needs of 1.3 million Alabamians can no longer be ignored. With this publication, we attempt to highlight some important issues and provide general suggestions for reform. Our hope is that this paper stimulates informed discussion about Alabama rural development and serves as a call to action.



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- Larry Lee and Joe A. Sumners

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“National recovery won’t bring jobs back to the rural South. Production has moved to other countries with lower wages, or plants have substituted technologically advanced machines for people. Tens of thousands of jobs are not coming back ... Enticing companies from afar to relocate with the bait of cheap land, low taxes and a surplus of hardworking but undereducated workers -- that old recipe no longer works.”

-- "The State of the South 2002:
Shadows in the Sunbelt Revisited," MDC, Inc.

“Clearly, there are two Alabamas, one urban and one rural. The first is enjoying relative success, although there are deeply distressed pockets within our urban areas. The second, for the most part, is making little or no progress and continues to keep Alabama from being recognized as a successful competitor.”

-- Alabama Commerce Commission, 2000

BEYOND THE INTERSTATE: The Crisis in Rural Alabama

Introduction

For most Alabamians, they're just names on Interstate exits as they speed toward Chattanooga or Atlanta or New Orleans or the beach - Valley Head, Heflin, Eutaw, Georgiana. Places to grab a burger and make a pit stop before resuming their journey.

Places to be forgotten as quickly as the lights of the service station disappear. No need to ponder the fact that real people, with real needs and real dreams live in these hamlets. In fact, 1.3 million people live in rural Alabama, 30 percent of our population.

According to the Office of Management and Budget, 22 Alabama counties are classified as Metropolitan Statistical Areas. And though there are a number of definitions of "rural," for the purpose of this discussion, we'll consider the other 45 counties rural. Using this definition, 262 of Alabama's 459 municipalities are located in rural counties. And 232 of these cities and towns have less than 5,000 people.

Unfortunately, small towns are not rural Alabama's only distinction. Of the 15 counties with double-digit unemployment, 14 are rural. Of the 10 counties with the highest percent population over 65, nine are rural. Of the 15 county school systems with the lowest average SAT scores, 14 are rural. Of the 20 counties with the lowest median family income, all are rural.

As the Alabama Commerce Commission Report (March 2000) astutely noted, "There are two Alabamas - one urban and one rural." And Alabama is indeed a state of stark contrasts. Within 60 minutes of the gleaming Mercedes complex at Vance is Greene County, where 66 percent of all births are to unwed mothers. Within 50 minutes of the Capital City Club in Montgomery are Lowndes, Bullock and Dallas counties, all experiencing chronic double-digit unemployment. Within 45 minutes of Decatur, where Boeing builds state-of-the-art rockets, is

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Winston County where 37 percent of those over 25 years of age did not complete high school.

These conditions are not unique to rural Alabama. They are common throughout the rural South. Fewer jobs, older populations, poorer schools, and less money.

However, what is unique to Alabama is the fact that rural problems are not being addressed in a significant manner. While every other Southern state has at least one state level entity that deals solely with rural concerns and constituencies, Alabama does not.

Forty states - including Mississippi, Florida, Georgia, South Carolina and North Carolina - have Rural Development Councils, coordinating agencies funded in large part by the U.S. Department of Agriculture, but not Alabama. Georgia also has the Georgia Rural Economic Development Center and the OneGeorgia program, which puts \$62 million a year into rural infrastructure and economic development projects. South Carolina has a Community and Rural Development Division within its Commerce Department and North Carolina's Rural Economic Development Center has more employees (44) than the Alabama Development Office (ADO), whose mission is recruiting jobs for all 67 counties.

In 1986, MDC, Inc., a North Carolina-based non-profit research organization, published "Shadows in the Sunbelt," an analysis of trends threatening the rural South. The report stated that, "It has become increasingly clear that major structural changes are

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at work in the rural Southern economy, changes which are only intermittently visible, but that taken together promise profound and lasting consequences for all the South."

But 16 years, four governors and countless ADO directors after the MDC report, Alabama is still not making meaningful headway in dealing with these "profound and lasting consequences." MDC's forecast has come to fruition all across Alabama. The South's economy is in the midst of a long-term restructuring in which the big "losers" are manufacturing-dependent rural areas. Production has moved to other countries with lower wages, or plants have substituted technologically advanced machines for people.

From time to time, rural Alabama pops up on someone's radar screen, but just as quickly drops out of sight. In 1988, Governor Guy Hunt unveiled his "Growth Center" strategy for addressing rural needs. In 1996, the ADO convened a group to study the needs of "economically distressed areas." In 1999, the Economic Development Partnership of Alabama assembled a Rural Economic Development Committee. In 2000, Governor Don Siegelman appointed a Task Force on the Development of Economically Distressed Counties -- a response to the Alabama Commerce Commission's dire assessment of Alabama's rural economies.

But none of these initiatives took root, leaving one only to wonder why. Lack of commitment? Lack of direction? Lack of resources? Lack of understanding? Lack of vision? It certainly wasn't lack of need.

There is a critical need for a well-reasoned, thoughtful approach focused on what must be done if rural Alabama is to survive. But for that to occur, we must

first have leaders who will step forward and make a genuine commitment to the 1.3 million people in rural Alabama. The time for lip service or another hastily created task force is past.

How did rural Alabama get where it is today? A quick glimpse at our past helps us to understand.

Origins of Rural Distress

Eli Whitney invented the cotton gin in 1793 and before long the sound of axes began to ring throughout our forests as "Alabama fever" spread across Georgia, the Carolinas and Virginia. Cheap, fertile land and high cotton prices fanned the fever and between 1810 and 1820 the state's population increased by more than 1,000 percent. Though a few of the settlers came from plantation families, most were yeoman farmers who moved here with practically nothing - and usually stayed that way.

By 1860, 6.3 million acres were in cultivation and Alabama produced more cotton than any state except Mississippi. And while 45 percent of the state's 963,000 inhabitants were slaves, only 1,687 planters owned 50 slaves or more. In fact, of the state's 50,067 farms, 68 percent were less than 100 acres in size.

One of the aftermaths of the Civil War was the near absence of capital. In an almost cashless society, the alternative was sharecropping and tenant farming. Since most blacks and many whites had only their



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labor to offer as land rent, there was no other road they could travel.

Sharecropping/tenant farming was subsistence at best. Those who could escape did. In 1890, 42 percent of the labor force working in coal mines was black. But many could not escape and, by 1930, 69 percent of all farmers were tenants or sharecroppers. Only Texas, Mississippi and Georgia had more tenant farms than Alabama.

Daniel Pratt built one of Alabama's first textile mills before the Civil War. In 1897, the state passed a law exempting anyone who invested \$50,000 in a textile mill from all state, county and municipal taxes for 10 years. By 1900, the state had 31 textile mills with 29 percent of the labor furnished by children less than 16 years of age. Our major attraction for investors? Cheap labor and low taxes.

As the Great Depression wore on, Mississippi unveiled its "Balance Agriculture with Industry" effort aimed at luring northern industrialists to the Magnolia state. Their mantra was cheap land, low taxes, and thousands of poorly educated people who would sweat for virtually nothing. The Alabama State Planning Commission was formed in 1935 and quickly followed Mississippi's lead.



World War II, the mechanization of agriculture, the Tennessee Valley Authority, and the Rural Electrification Act played major roles in changing the face of Alabama's countryside. The whirl of a sewing machine in a garment plant was music to the ears of a sharecropper's wife, while any mill job beat watching the rear end of a mule all day for the cropper himself.

And as the first Baby Boomers danced to the anthems of Elvis and Jerry Lee Lewis, many daddies who were plucked from a cotton field to fight wars in Europe and the Pacific determined that these children would have something they never had - a college education. So through the 1960's and '70's, rural Alabama watched many of its brightest young people leave for good, returning only for family reunions and holidays.

Rural Alabama has been caught in the snare of poverty for decades. Whether he was a transplanted Virginian trying to grow cotton on rocky Piedmont hills in the 1840's, a black tenant farmer settling his crop lien each fall in the 1870's, or a white sharecropper battling boll weevils in sandy Wiregrass soils in the 1920's, life was a never-ending struggle.

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Fast forward to the early 21st Century. The state now faces a changed world. A world of free trade, corporations seeking inexpensive labor in other countries and smarter machines replacing humans. A world where the important question for companies is not "What does labor cost?" but rather "What does labor know?" These changes - which we in Alabama either failed to see or failed to prepare for - are pounding many rural communities like a storm surge pounds the beach.

For years, non-durable manufacturing (concentrated in the textile and apparel sectors) was the mainstay of the economies of many rural Alabama communi-

ties. According to the Center for Business and Economic Research at the University of Alabama, in the last five years the state has lost 31,861 non-durable manufacturing jobs - 78 percent of them in textiles and apparel.

An excellent example of this crushing impact is found in Fayette County. In August 1997, unemployment in Fayette County was 5.4 percent and 8,158 people had jobs there. In August 2002, unemployment was 11.8 percent and only 6,650 people were employed. What is the impact of losing 1,508 jobs in rural Fayette County? Consider that for every worker in Fayette County's labor force, there are 15 in Montgomery County. So one job in Fayette County has the same impact as 15 in Montgomery County, which means Fayette County's loss is equivalent to losing 22,620 jobs in Montgomery County.

Or look at it this way. When an automotive supplier closed and eliminated 350 jobs in Fayette in 2001, the impact was double the impact Hyundai's announced 2,000 jobs will have on Montgomery's labor force.

Responding to Alabama's Rural Crisis

That brings us to today and the question of what should be done about 1.3 million rural Alabamians. Given its legacy of poverty, inadequate education, concentrated power, pridefulness and limited infrastructure, should rural Alabama be left to simply wither and die?

For decades those yeoman farmers and their offspring gave Birmingham and Mobile and Montgomery and Huntsville the lumber for their houses, the food for their tables, the cotton for their shirts. Rural Alabama has nurtured and sent forth industry CEOs, university presidents, researchers, bank presidents, doctors and professors.

Rural Alabama is worth saving. Its people still contribute to our state's economic well-being. It still provides raw materials, food and fiber. It still gives

So what is needed for rural Alabama to begin to reach its potential? At the state level, there is an urgent need for leadership, commitment and coordination. At the local level, there is a need for rural communities to join forces and work together. Additionally, rural communities must take steps to improve quality of life, build local leadership capacity and diversify their development strategies.

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State Leadership and Commitment

The leaders of Mississippi, Georgia, Tennessee and South Carolina have set in place efforts to improve economic conditions in their rural regions. The Lieutenant Governor of Georgia was the moving force behind the Georgia Rural Development Council and the Lieutenant Governor of North Carolina helped create the North Carolina Rural Economic Development Center. The Governor of



Mississippi, along with the CEO of Entergy Corporation, created the Foundation for the Mid South in 1989. This foundation has since awarded grants to over 300 nonprofit organizations, contributing over \$150 million in new resources for community building programs in Arkansas, Louisiana and Mississippi.

In Alabama, candidates for statewide office have never outlined a platform for rural development and our state leadership remains largely unengaged when it comes to rural issues. Nothing comparable to the Foundation for the Mid South exists in Alabama.

Someone must step up and make a long-term commitment to the task at hand - the Governor, the Lieutenant Governor, the Speaker of the House, the ADO or ADECA director, the Economic Development Partnership of Alabama, Alabama Power, Alabama Electric Cooperative, Alabama Farmers Federation, Auburn University, the University of Alabama. Someone has got to decide to take on the role of facilitator for, and advocate of, change in the way we approach the needs of rural Alabama.

The mission statement of the Georgia Rural Development Council says: "The Georgia Rural Development Council advocates for rural Georgia,

Rural Alabama needs a champion and advocate.



champions new development opportunities and partners with public and private initiatives to strengthen communities."

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Statewide Coordination

Rural Alabama does not lack for those who are willing to help. There are many "players" in the community/economic development field: two-year colleges, four-year universities, small business development centers, Cooperative Extension System, USDA Rural Development, Small Business Administration, Economic Development Administration, Appalachian Regional Commission, regional planning agencies, local chambers of commerce, ADO, ADECA, major utility companies, etc. But a lack of coordination among these entities often leads to duplication, excessive concern about "turf" protection and a waste of limited resources.

One very encouraging exception is the new Alabama Communities of Excellence (ACE) program. This program - targeted to cities under 12,000 population - represents a partnership of many of the state's key players in economic and community development, including Alabama Power Company, Auburn University (Economic Development Institute), University of Alabama (Center for Economic Development), Alabama Association of Regional Councils, Alabama Cooperative Extension System, ADO and several others. Representatives of these organizations serve as the Board of Directors for ACE, which is organized as a nonprofit corporation. Beginning in 2003, ACE will assist a limited number of rural communities that show the commitment and capacity for economic development.

Alabama should support and build on the ACE model. Rural Alabama must insist on a common philosophy of development, a full sharing of information and a commitment from all involved to move towards the same goals. Specifically, Alabama needs to establish a Rural Development Council similar to those already operating in 40 other states. Participants could include those organizations already involved in the ACE program. The Rural

Development Council could serve as an umbrella organization for efforts like ACE and many others geared toward rural Alabama. It could serve as an advocate for the interests of rural Alabama and provide the coordination to keep our efforts focused and effective.

Regional Strategies and Collaboration

Why is a place referred to as "rural?" Primarily because it is sparsely populated, meaning that there is a lack of critical mass - not just of people but of leadership, of financial capacity, of infrastructure, of skilled labor. Consequently, for rural areas to survive, they must join forces and work together. In effect, they must acquire some of the assets of more urbanized areas through collaboration and cooperation.

Tiny economies do not have the wherewithal to compete in a global setting. We may not be able to save every distressed village in Alabama, but we must strive to sustain rural regions. Therefore, rural advancement requires regional collaboration instead of competition.

A regional approach to development is hardly a new concept. Tennessee, Mississippi and Georgia all use regional efforts. North Carolina is divided into seven regions and the state has a larger budget for these regional programs than we have for the entire Alabama Development Office.

The Alabama Commerce Commission stated that establishing a regional development structure should be a top priority. The Alabama Development Office is now trying to implement a regional program. ADO has divided the state into eight economic development regions and is creating plans for each. This is an important step in the right direction. However, given the fact that ADO's budget has decreased 20 percent and its staff nearly 40 percent over the last decade, concern that there will not be adequate funding and staff to make a regional program fully functional is probably justified.

Alabama clearly needs a regional approach to rural development. Sand Mountain is not the Wiregrass.

Alabama clearly needs a regional approach to rural development. Sand Mountain is not the Wiregrass. The Black Belt is not the Tennessee Valley.

The Black Belt is not the Tennessee Valley. Like spokes on a wheel, regions are usually anchored by urban cores. Either by mandate or manipulation, we should build bridges between these cores and the surrounding countryside. We should have development strategies and target markets for each region. Each region should find the things it does best and take the initiative to develop those resources.

If there were no county boundaries or city limits in Alabama today and we set about to create them, how many would we have? Chances are we would not end up with the 67 county commissions and 459 mayors we have today. Yet we operate within a framework of governance that was created when folks went to town with a mule and wagon. And just as we no longer rely on mules, neither can rural counties and communities remain so caught up in who they used to be that they refuse to adapt to today's world.

For example, the West Alabama Economic Development Authority includes Pickens, Lamar and Fayette counties. There are 18 municipalities in these counties. Collectively, the 18 cities have 21,335 people, meaning that if they were combined into one community, it would only be about the size of Selma or Enterprise.

As they are doing in west Alabama, rural communities across the state must learn to share resources for development and share the benefits of success. Successful rural development must be a partnership.

The Lake Martin Economic Development Alliance, which includes Coosa and Tallapoosa counties, offers an example of collaboration. Coosa County and Alexander City have jointly built a 327-acre industrial park. Coosa County paid 42 percent of the cost, Alexander City paid the rest. The two governments share non-educational tax revenues generated

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by businesses in the park based on the percentage they contributed to build it. Local legislation was required to allow for the sharing of taxes.

One of the best and largest parcels of industrial land (1,500 acres) in the state sits adjacent to an Interstate in our least-populated county. Greene County's Crossroads of America Park is in an Enterprise Zone and has access to the Tenn-Tom Waterway, Burlington-Northern Railroad and I-59/20. But while 58 counties have lower unemployment than Greene County (11.7 percent), no county has a smaller labor force (currently 3,090), leaving one to wonder if it is reasonable to expect this site to attract a large prospect. However, if Greene County asked its neighboring counties of Hale, Marengo, Sumter and Pickens to join them in marketing this as a regional site, the available labor force swells to 31,950. But this requires the collaboration of five county commissions and 31 city councils, not to mention local legislators.

While it is true that all development is local, it is also true that many rural communities do not know where or how to begin development, or they think



they should simply do what their "big city" neighbors are doing. This is where a coordinated, statewide effort comes into play. The state's role should be one of assistance and direction - pointing out likely paths of success.

The state has something all local communities want - grant monies to support local development projects. Access to grant funds should be linked to certain criteria. For example, in order to apply for a grant, rural counties and communities could be required to have a strategic development plan in place. The state could encourage regionalism by amending the incentive package an urban area can offer if that area partners with surrounding rural counties.

We should look across the Chattahoochee where the Georgia Department of Community Affairs has a Regional Assistance Program that offers grants of up to \$500,000 for such things as assistance with industrial parks and marketing programs - but only if the application is for two or more counties.

Three of the counties (Pickens, Greene and Hale) adjoining Tuscaloosa County have been deemed distressed under the state's new incentive legislation. Since Tuscaloosa County's sales tax per capita is nearly four times theirs, Tuscaloosa County is obviously a major benefactor of any commerce that is generated nearby, and obviously stands to benefit from an improved regional economy. The same is true of Montgomery County as it relates to Lowndes, Crenshaw, Bullock and Macon counties.

Strong cities need strong towns and vice versa. Rural areas provide markets for urban goods and services, as well as many urban workers and leaders. Our urban centers may be prone to think, "out of sight, out of mind," but as long as the acute problems of their rural neighbors persist, they will also be held back. Regional collaboration serves the interests of all.

Nothing is as important for rural economic development as improving rural public schools.

Improved Quality of Life in Rural Communities

Economic development professionals often speak of "product," meaning available land and existing buildings. As of 2002, there were 13 million square feet of buildings and 43,635 acres of industrial land waiting to be occupied in rural Alabama, with many facilities and sites available at bargain basement prices - or free in many cases.

So why aren't new companies pouring into rural areas? Why aren't they taking advantage of low taxes, cheap buildings, free land and available labor? Why are the companies that are already located in rural Alabama not expanding and growing like many of their urban neighbors?

One reason is that "quality of life" is as much a part of the product mix as buildings and land. Effective schools, quality medical care, diverse recreational opportunities, good roads, clean water, top-level public safety, and much more, make a location appealing - not just dirt and buildings at an industrial site. Businesses want to locate or expand into quality communities, not just into quality industrial sites.

We must understand that many communities are simply not prepared for large-scale economic development. Incentives and spec building programs have not, and will not, rescue these communities from entrenched poverty. Instead of trying quick fixes, these communities would benefit most from sustained efforts to overcome distress rooted in illiteracy, teenage pregnancy, high school dropout rates, drug use, poor performing schools and inadequate health care. In fact, nothing is as important for rural economic development as improving rural public schools.

For example, one rural county has had a well-funded, well-staffed traditional economic development program for more than a decade. In 1992, unemployment was 14.6 percent. But a decade and \$2 million later, unemployment is 14.9 percent and there are fewer jobs in the county than 10 years ago. Isn't it

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time someone pointed out that this traditional approach is not working and some deeper systemic problems must be addressed? Isn't it time community leaders acknowledge that both its county and city school systems rank in the bottom ten percent in SAT scores of all 128 systems in the state?

We will never create strong and diverse economies in rural Alabama until we address these essential "quality of life" issues. Until we do, economic development will be largely "hit or miss" and seldom sustainable. The old industrial recruitment model (or "smokestack chasing") has little to offer much of rural Alabama.

Rural Leadership Development and Capacity Building

There is a strong relationship between the strength of a community's civic life and its economic development prospects. Economic development requires a foundation, or infrastructure, upon which to build. Roads, water, gas, electricity and sewers are necessary for economic growth. At least as important are the community's civic infrastructure of strong local leadership, vital community institutions, public



involvement, and a community mindset of pride and optimism. This may well be the most critical piece of the rural development puzzle.

Visionary, enlightened local leadership is essential for rural development. Leaders have to identify a community's human, natural and cultural assets to determine potential competitive advantages and fashion a customized development approach. Leaders definitely must understand that development is a long, slow, deliberative process. There are no quick fixes. They must understand that economic development is not just the creation of jobs. Economic development is the process by which a community creates, retains and reinvests wealth. The goal of rural development should be to raise people's standard of living, as measured by improved per capita and family income levels.

The need for greater understanding of the community/economic development process at the local level cannot be overemphasized. A 2001 survey by the Economic Development Institute at Auburn University points this out. According to survey respondents (municipal clerks), 69 percent of Alabama communities have no strategic plan for economic development; 65 percent have no local leadership development program; 30 percent have no business retention program; and manufacturing is identified as the primary development focus in most communities.

To develop community leadership capacity, mayors, city council members, county commissioners, industrial development boards and other local leaders



need a steady diet of information about such things as: What are the building blocks of community development? What are incentives? Do all incentives come from the state? How do tax abatements and credits work? Why do manufacturing projects qualify for incentives, but retail projects do not? What is a realistic expectation for a spec building?

In addition to developing local leadership capacity, one of the best hopes for economic progress lies in taking steps to strengthen the civic life in rural communities. This means building the "connections" among citizens, groups and institutions within the community. Successful rural communities will provide multiple opportunities for public involvement—through strategic planning efforts, deliberative forums, town meetings, concerts, festivals and community improvement projects. A key to development in rural communities is to identify all available assets and to begin connecting these assets in ways that multiply their power and effectiveness.

Successful rural communities recognize that their destiny is in their own hands. Although outside help is sought when appropriate, they do not wait for some outsider to save them, nor do they just sit around and wait for things to get better. Successful communities take the attitude that "nobody knows or cares about our community like we do" and "if we don't do it, it won't get done."

Diverse and Innovative Rural Development Strategies

For years, Alabama used a "one-size fits all" approach to economic development, thinking what worked for urban areas would also work in rural areas. This is not the case. Cleburne County is not Jefferson County in incubation.

Then in 2001, the Legislature passed a bill creating two levels of economic development incentives. (Something commonly done in other states.) Based on a formula utilizing population shifts, per capita income and unemployment, all counties are now evaluated annually and the bottom 23 counties can provide incentives for smaller capital projects that

are not available in the 44 more-developed counties. While this legislation is helpful, even more significant is that for the first time ever the state has acknowledged through public policy that some areas of the state are distressed.

In recent years Alabama has done extremely well landing major assembly plants of foreign automakers. The recent plant locations of Mercedes, Honda and Hyundai have leaders in every rural hamlet in Alabama dreaming of landing the "big one" for their community. However, chasing automotive and other large-scale projects with an open checkbook is not rational rural development policy.

Six rural counties (Bibb, Hale, Greene, Pickens, Fayette and Walker) adjoin Tuscaloosa County, the home of Mercedes. However, there are fewer people employed in these six counties today than there were before Mercedes located to Alabama. While Tuscaloosa County has eight Mercedes suppliers, none are located in the adjacent rural counties. According to a study by the Economic Development Partnership of Alabama, the average distance to an Interstate for both Mercedes and Honda suppliers is 3.2 miles, a condition that immediately eliminates many rural sites.

Given this information, it's safe to say that for rural Alabama, the road to the Promised Land is not lined with hubcaps. As MDC states in its "The State Of The South 2002" report, "However much auto assembly can boost the economies of certain regions within states, those plants will not bring prosperity to the many Southern communities devastated by the flight of textile and apparel jobs. An underlying hard dual reality remains: the manufacturing buffalo is a relatively rare species these days. (In the U.S. each year, 15,000 economic development agencies fight over roughly 1,500 expansions or relocations.) Many of the South's old manufacturing towns are not competitive for the higher-skilled industries that remain rooted in the U.S."

Too often, our rural communities rely on the traditional industrial recruitment approach to development. However, the key to the overall economic development approach must be to match particular

strategies with the assets of the community. This might include tourism, commercial and retail development, technology parks, agribusiness, retiree attraction, entrepreneurial support, or other kinds of development. Ideally, development will involve a diverse combination of strategies.

Hope for Rural Alabama

There is a crisis in rural Alabama. Many of our rural communities are slowly dying. But even if we weep and wail and gnash our teeth about the plight of our 45 rural counties, can they really be saved? Is their demise more or less the law of nature, something along the line of "survival of the fittest?" Should they simply be remembered as tucked away places that gave us *To Kill A Mockingbird* and "I'm So Lonesome I Could Cry?" Should we worry about failing rural communities when we're spending \$40 million to build a new "fly-over" on I-459 so Birmingham shoppers can get in and out of the Galleria easier?

Answers to this question dot the South. Communities like Tupelo, Mississippi, Greenwood, South Carolina and Douglas, Georgia. These are communities that have prospered without Interstate highways; communities that refused to accept the fate of so many of their neighbors. Tupelo has a population of 34,000 and features a median household income just \$2,600 less than Huntsville. Greenwood, with only 22,000 people, has the only biotech incubator in South Carolina. Douglas, with a



population of 11,000, has a 1,500-employee Wal-Mart distribution center located 50 miles from the nearest Interstate.

Covington County, Alabama is another example. In January 2001, unemployment was 10.4 percent, more than double the state average and greater than eight of the twelve Black Belt counties. Statewide, only ten counties had higher unemployment. But in September 2002, Covington County's unemployment rate of 4.7 percent was less than the state average and only 13 counties had lower rates. The county has conducted a countywide economic development effort since 1992. They've steadily developed their civic infrastructure, they've begun to understand that they are one community and one economy, they've remained committed to the cause, and they've not forgotten their existing businesses. And perhaps most importantly, they have top-notch public schools.

In 2001, The Public Affairs Research Council of Alabama studied grades 3-8 in 1,050 Alabama public schools and determined which are "high performing" based on actual SAT scores, as compared to predicted SAT scores. Only seven rural schools had each grade exceed their predicted SAT score by 10 points or more. Two of them (Fleeta and Florala Middle) are located in Covington County. Another four Covington County schools almost earned this distinction. In addition, all three school systems (Covington County, Opp, and Andalusia) rank in the top 25 percent statewide in SAT scores. It is also worth noting that there are no private schools in



In large measure, rural Alabama remains an unkept promise. Still in search of its destiny, still waiting to join the 21st Century. Still waiting for prosperity to widen its circle and include them.

Covington County, so limited resources are not diluted by trying to support a dual education system.

The plight of rural Alabama has not gone unnoticed in all quarters. Auburn University has its Black Belt Initiative, which includes among other things, the Alabama Fish Farming Center and the Rural Studio in Hale County. Auburn University is also conducting a HUD-sponsored Community Outreach Partnership Centers Project (COPC) in Uniontown. The University of Alabama has more than 20 projects and programs, primarily dealing with education and health care, aimed at improving life in the Black Belt.

Auburn University's Cooperative Extension System and Economic Development Institute have conducted an annual Intensive Economic Development Training Course for nearly 20 years. Students get a two-week overview of all facets of development and the majority of attendees are usually from rural areas.

However, in large measure, rural Alabama remains an unkept promise. Still in search of its destiny, still waiting to join the 21st Century. Still waiting for prosperity to widen its circle and include them. Many of the people who live in rural Alabama wonder if anyone is paying attention to what is happening, or even cares.

We've all heard the statement, "If you keep on doing what you've been doing, you'll keep on getting what you've been getting." Alabama has proven this with certainty. We need change. We need leaders who will make rural development a state priority. It will take commitment, collaboration, creative thinking and political courage to help 1.3 million of our fellow citizens begin a new journey. The time to start is now.



The Black Belt: Alabama's Third World

The once lordly region, born in days when cotton was king and slaves built the kingdom, has become a blighted land of forgotten promise. It is according to statistical measures and the people who struggle to improve life in the region, Alabama's Third World. A visitor to the Black Belt finds counties with sick economies that have dwindled for decades. Jobs are so scarce and wages so low that more than four out of every 10 residents live in poverty. Average unemployment in the region topped 11 percent through the prosperous 1990's, a figure double that of the rest of the state. A child in the Black Belt is more likely to be born out of wedlock, more likely to come home to poverty, and more likely to die in the first year of life. A man in the Black Belt is more likely to drop out of school before the ninth grade, leave the mother of his children and die of heart disease. ... Doctors and hospitals are so scarce that pregnant women and sick residents must travel up to 30 miles to the nearest health clinic. There is no local bus service and as many as a quarter of all households have no car. Infant death rates during parts of the 1990s surpassed those in Panama and Uruguay; the percentage of births to teenage mothers was higher than in Uganda and Indonesia. . . .

Further, officials cannot recruit or keep high paying businesses in an area that lacks an educated work force, and they can't improve education without the tax base businesses would provide. So there is nothing to draw new residents to the Black Belt. ... There is little to keep the region's people rooted to their ancestral land. Since the beginning of the 20th century, in a trend that continued for 100 years, residents have fled the Black Belt for the promise of decent pay and dignified work in Birmingham or the North. ... Those who stay are accustomed to failure. They are surrounded by ignorance, poverty, and low expectations.

-- John Archibald and Jeff Hansen, "Life is short, prosperity is long gone," *The Birmingham News*, May 12, 2002



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