

# THE COMMUNITY LEADER'S LETTER

NEWS & VIEWS FOR SOUTH CAROLINA'S  
GRASSROOTS LEADERS

## The Rural South Faces Future, Challenges of New Millennium

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The new century presents a unique opportunity to reflect on the host of challenges that remain persistent in the fabric of the rural South—dependence on low-wage jobs, entrenched pockets of poverty, undereducation and an agricultural, rural economy that finds itself in transition because of global and technological forces.

At the same time, several trends point to optimism in the region's rural areas:

- Jobs paying decent wages in many parts of the rural South.
- Implementation of creative strategies to further strengthen the economic health of existing agricultural and nonagricultural firms.
- Young people graduating from high school in increasing numbers across all racial and ethnic populations.
- People rediscovering the amenities that rural life brings, as witnessed by

the increasing number of people migrating to the rural South.

Indeed, the rural South finds itself at a critical juncture as it enters the new millennium.

To realize its full potential, the rural South must fully understand the set of challenges that now awaits it. What forces are likely to facilitate or impede progress in the region's rural areas? Will rural people and communities be positioned to realize economic, environmental, and social progress?

What specific policy activities or programmatic actions are needed to help promote hope and prosperity for all people of the rural South? How these questions get addressed may very well dictate the kind of future rural people and communities of the South will enjoy.

In addition to undereducation, which separates the poorly educated from the well trained, other barriers must be overcome. Changing political

climates and economic trends give advantage to urban centers over rural areas that are losing access to buses and trains. Deregulation of banking has meant the loss of local bankers. And the impacts of utility deregulation on the South are yet to be faced.

Differences based on race continue to plague communities. But rural communities that work hard at creating good race relations are faring well, growing and successfully competing for new jobs.

And finally, there has to be a concentration on the process of community development—the creation of bootstraps by which rural people can pull themselves up. This means building the capacity for local development. This involves building a true sense of community with people working together, as well as the physical infrastructure to support development.

(Cont. p. 4)

This article consists of portions of *A focus on the 21st century: New SRDC policy series on the rural South*, Lionel J. Beaulieu, No. 1, January 2000 and *The rural South: From shadows to sunshine*, William F. Winter, No. 2, January 2000. The publications are a part of the Southern Rural Development Center's Millennium series: *Preparing for the Challenges of the 21st Century*. Printed with permission.

ECONOMIC BRIEF NO. 38

# Finding Comparative Advantage

This series of economic briefs explores fundamental concepts in economics and community and economic development.

*For almost two hundred years, economists have been teaching the theory of comparative advantage. It helps to explain the choices made by individuals, firms, regions and countries in terms of what they produce to sell to others.*

*highways? An abundance of highly skilled workers? Access to essential natural resources? Good agricultural land and a long growing season? Lots of capital? Natural or historic tourist attractions?*

*that can be created.*

*Every community and region is seeking to create a comparative advantage in those industries and services with good wages, stability and a bright future.*

**Every community and region is seeking to create a comparative advantage . . . the prescription for the rural south is pretty much the same as elsewhere in the nation.**

*This theory can certainly explain why Florida grows oranges and Idaho grows potatoes, why the tourism industry is stronger in South Carolina than in Nebraska, or why the oil industry is concentrated in Texas.*

*Hence, the prescription for the rural South is pretty much the same as elsewhere in the nation. Improve the quality of the labor force through education and training. Attract outside capital through offering incentives for business location. Identify your natural advantages—climate, location, access to markets—and promote them in order to lure industry. It's a highly competitive game.*

*This theory suggests that any individual, community or region has some unique combination of production assets that makes it relatively more efficient than another in producing some good or service to sell in the marketplace in exchange for other goods and services.*

*It explains as well the migration of the textile industry from the Northeast to the South half a century ago in response to abundant water and cheap labor.*

*What chances does the rural South have in competing not only with other regions, but also with its own highly developed urban areas for jobs and firms?*

***In furtherance of Clemson University's land-grant mission, the Community and Development Program provides access for community leaders in South Carolina to expertise in all branches of knowledge on the University campus.***

*Expressed this way, finding one's niche in the marketplace sounds like just "discovering" one's comparative advantage. Is it based on location close to markets with good seaports, airports and*

*But in an economy where both labor and capital are highly mobile, and natural resources play a smaller and smaller role in most products and services, the old model doesn't work as well. Increasingly, comparative advantage is not seen as just something that happens, but something*

*Quality of life is one lure. As urban areas become increasingly congested, less populated areas offer a quieter life-style, a slower pace, more attractive natural surroundings, and lower housing costs.*

*Improving education in the*

**(Cont. p. 4)**



## READER SURVEY

For 10 years, the Strom Thurmond Institute has been publishing *The Community Leader's* letter as part of its commitment to community and economic development in South Carolina. Our circulation has grown from about 7,000 to over 18,000. The newsletter and all of its back issues are now available on the Institute Web page at [www.strom.clemson.edu/teams/ced/cil.html](http://www.strom.clemson.edu/teams/ced/cil.html).

As we look to the future we want to know how to best deliver the information contained in the *Community Leader's Letter* in a manner best suited to your needs. **Would you please complete the survey and**

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- answer on the Internet at [www.strom.clemson.edu/teams/ced/index.html](http://www.strom.clemson.edu/teams/ced/index.html)

1. The category that best describes me is (check only one):

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Either U.S. mail or e-mail or the Internet \_\_\_\_\_

8. What topics would you like to see addressed in the newsletter?

9. Other suggestions and comments:

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**PLEASE RETURN THIS SURVEY TO:**

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THE COMMUNITY LEADER'S LETTER

The Community Leader's Letter is the quarterly newsletter of the Economic and Community Development Program at the Strom Thurmond Institute of Government and Public Affairs. The Cooperative Extension Service finances the newsletter as a public service activity (PSA) of Clemson University

Ada Lou Steirer, Team Leader, Community and Economic Development Program, and Editor

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## Finding Comparative . . . (From p. 1)

rural South then does double duty not only in providing a trained work force but also in ensuring quality schools for the children of workers and managers. And tax incentives to lure firms have to be balanced by the reality of paying for public services, including schools, which are also an important factor in locational decisions.

Availability of land and sometimes reusable vacant buildings are another lure that may attract some kinds of firms, but more often the smaller firms with the potential for growth rather than the headline-grabbing major employers. Several counties in South Carolina have had success in rehabilitating old-

er buildings for reuse by new firms looking for a quick start. Others have been able to capitalize on natural tourist attractions or create retirement communities, both clean industries, although most of these service jobs are relatively low paying and require few skills.

Comparative advantage still has important things to say to the twenty-first century economy, but the economy is no longer static and unchanging for decades or even years. Regions that are looking to find or create a comparative advantage need to assess their existing assets and develop their strategies carefully in order to find a niche in a fast-moving economy.

## Rural . . . (From p. 1)

To highlight the development challenges facing the rural South, the Southern Rural Development Center will publish a series of 35 policy briefs under the title *The Rural South: Preparing for the Challenges of the 21st Century*.

The series will address eight broad themes: changing demography, agriculture in transition, managing the natural and environmental resources of the South, education and workforce issues, diversifying the rural economy, family and child well-being, health care quality and access, and building community in a time of policy changes.

The first nine papers in the series are available on the center's Web site at <http://ext.msstate.edu/srdc/publications/millennium.htm>.