Pete Carlson | August 14, 2015

The unpredictable path to regional growth

Even the best-laid plans for growing a regional economy rarely follow a predictable path. Changing market conditions, leadership changes, and the vicissitudes of funding all require regional leaders to be nimble, building flexible capacity and seizing new opportunities as they arise.

That is a key finding of a study of 10 regions participating in the Brookings-Rockefeller Project on State and Metropolitan Innovation, an effort designed to advance a new model of economic development that achieves better results for more people and communities.

The 10 sites that were the focus of the study offer a microcosm of the dynamics that play out across all regions when they attempt to transform their economies.

One of those dynamics is that things don’t always go as planned, and planned initiatives often get superseded by other priorities or opportunities. In Minneapolis-St. Paul, for example, the lead initiative to stimulate the ecosystem for new firms ended up taking a back seat to other equally ambitious initiatives focused on ensuring broader prosperity and equity.

In Syracuse, work on an exciting new economic cluster, “Data to Decisions” technologies, has ramped up more slowly than anticipated as other opportunities have attracted more interest and resources.

In some cases, the work has gone well beyond the original plan. Partnerships forged through the Bluegrass Economic Advancement Movement (BEAM) have led to the creation of a network of manufacturers who are developing paid apprenticeships—a more ambitious undertaking than their original plan. In Chicago, World Business Chicago has launched 15 initiatives since its “Plan for Economic Growth and Jobs” was completed in 2011 and has 20 more in the pipeline.

Another dynamic is that plans are often superseded by other plans, involving many of the same people and focused on many of the same issues. In fact, most regions can point to a whole series of plans they have developed over the years to guide their efforts to grow the economy.

That raises the question: if things don’t always go as planned, and new plans are always coming along, is it worth the trouble? The answer appears to be yes.

If done well, each iteration of planning lays the foundation for the next iteration in several important ways. First, it dispels myths and deepens people’s understanding of how their regional economy actually works. In the regions that participated in the Brookings project, for example, the focus on investing in what matters—regional strengths and assets in the key economic drivers of trade, innovation, and talent—has carried over as the foundation for new strategies and initiatives.

Second, each iteration uncovers new opportunities for growth and development. For example, the Puget Sound Regional Council’s closer examination of regional assets in Greater Seattle turned up a new and important opportunity in the clean energy sector that the region is now pursuing.

And finally, each iteration builds collaborative capacity within the region, getting key stakeholders moving in the same direction and forging relationships based on mutual trust and respect. This last point is critical, since as one regional leader has put it, “Collaboration moves forward at the speed of trust.”

In the regions that participated in the Brookings project, the planning process often brought together key stakeholders who had never worked together or focused on regional issues before. In many cases, those key stakeholders have since gone on to spawn new initiatives together that go beyond the original plan.

The bottom line is that no single plan can hope to capture everything that’s going on in a regional economy. And transforming a regional economy can’t happen overnight, or in the course of a single project. It is an iterative process that unfolds in often unpredictable ways over many years, with each intervention creating cumulative ripple effects across the region and over time.

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