Chapter 16

Sustaining community leadership learning: recent experience in Montana, USA

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Introduction

The art, science and practice of community economic development (ED) in the USA are changing, as evidenced by recent work and experience in the state of Montana. Past local-area ED efforts have been largely carried out by local agents, hired by local entities or organisations with small boards created for the purpose of pursuing area ED efforts and initiatives, using tools and strategies embedded in national and state ED programmes. There was little community learning or broad-based community leadership learning as precursors to, and continuing components of, local ED efforts and strategies. This chapter is the result of the author’s extensive experience with diverse regional civic groups. As Director of the O’Connor Center for the Rocky Mountain West at the University of Montana, the focus on economic and community change has provided insight for the discussion here.

There is growing recognition that advancing a community economically is not a simple matter of increasing jobs or assisting businesses. A community functions within a region which provides a much more complex context. In looking at economic development through such a lens, systemic change must be considered, as Inman and Swanson (2007) noted:

Regionalism is an integrative approach to policy that follows a geographical focus looking beyond political and jurisdictional boundaries. This allows for the study of social, economic, and environmental issues through the creation and sustaining of
organizations that do not comfortably fit into the established framework of local, state, and federal governments (p. 1).

The ‘plate’ for ED planning and decision-making, therefore, is much larger than job creation and business assistance. Community economic advancement is much deeper and broader in scope, involving strategies and programmes in infrastructure development, workforce development and education more generally, and attention to all aspects of community decision-making affecting community liveability. Local-area economic advancement is likely to be more successful if local leadership from business, government, education and other functional areas, sometimes partitioned from each other, are linked in a common leadership learning process. But this broad-based local leadership learning can be further strengthened, it is suggested here, by interfacing research and study on how the economy is changing, with information on practical experience from other communities who have already demonstrated success in new and innovative ED programmes and approaches.

This chapter posits that sustained local leadership learning leads to the creation of the types of social capital necessary for conscious, intelligent community advancement. The argument rests on the understanding that social capital at the community level is built upon trust and working relationships among key leaders and strengthened by a well-managed, credible and sustained leadership learning process. This type of leadership learning process is particularly important when it comes to how local communities seek to position themselves for a changing economy. These propositions are easier said than done, but they are being attempted by a private–public partnership entity called Celebrate Billings,¹ in the US community of the same name in Montana.

Billings is a moderately sized city of about 100,000 people located in the North American Rocky Mountain West – a mountainous region that has been seeing increased population growth and fairly dramatic economic change and restructuring over the last decade and a half. The region has only a few truly large cities including Denver, Colorado and Salt Lake City, Utah, with much of it sparsely populated, including the state of Montana, where Billings is located. The economy of the American West is modernising, moving away from its ‘cowboy’ image of the past to one that is more mature, diversified and increasingly urban in character. Traditionally, Montana’s economy had been natural resource-industry based and rural in orientation and the state almost prided itself on having no ‘real’ cities. This contributed to a slow recognition

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of the importance of small cities like Billings to the region’s economic future, even among business leaders and public officials in Billings itself.

The art and craft of economic development programming in this growing and fast-changing region has become one of better positioning small cities like Billings and other communities – their businesses, workers, families, schools and governments – for important aspects of present and anticipated future change. Most forces driving larger patterns of change in the economy and society – technological change, economic restructuring, population ageing trends, monetary policies, global integration, etc. – are supra-community in nature, largely beyond meaningful influence and sometimes comprehension by leaders at the local community level. At the same time, adaptation to change requires well-designed, well-managed and sustained leadership learning. This chapter reports on Celebrate Billings as a potential model for other communities seeking to engage key leadership in a process of progressive learning towards community economic advancement.

New imperatives in economic development in the USA

As new patterns and drivers have emerged in the US economy and in the Rocky Mountain West, other forces have been at work leading to new thinking regarding US economic development planning and programming. The growing global interdependence of many long-standing industries, such as manufacturing, energy production, agricultural and food production and other primary materials production, have made many areas heavily dependent upon these industries increasingly vulnerable to faraway influences and international events. This has made many US communities, workers and families feel increasingly economically vulnerable.

At the same time, aspects of government responsibility, including responsibilities for economic development planning and programming, have been steadily devolving, moving from the national and state levels to local levels. As noted in a report by the National Academy of Public Administration (NAPA, 1996):

The nation’s economic development programs will be a critical factor in two of the most significant domestic policy challenges of the coming decades: America’s adjustment and response to an increasingly competitive global economy and the recent transformation of social policy from one based on dependency to
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one that stresses opportunity and personal responsibility...The primary responsibility for designing and implementing economic development activities must rest with states, regions, and localities. The federal government, by itself, cannot have an enduring impact on economic conditions in the widely different communities and regions throughout the country.

As the federal government has increasingly looked to states to assume areas of responsibility, states have looked to local leaders, particularly large and diverse states containing many different types of sub-regional economies. While it is now well recognised that economic development strategies must be tailored to widely varying local and regional conditions, there is growing anxiety among many local officials regarding their ability to influence the direction of their local economy. The long-standing custom of local leadership in the USA has been to largely defer to national and state programmes and policies when it comes to local economic development programming, tapping into these programmes not only for direction but funding.

There is a growing paradox in economic development. While more and more aspects of the economy are operating at higher and higher levels of national and international integration, responsibilities for economic development planning and programming are being increasingly shifted to local levels of decision making. Development strategies must fit the needs of particular places, but there is often a ‘gap’ in capacity, knowledge and technical wherewithal at city and county levels – traditional units of local government – to address complex problems and needs tied to an increasingly complex economy. Processes for local leadership learning about the economy necessary to fill this gap have been largely absent or grossly lacking. A report by the Corporation for Enterprise Development (CfED, 1993) notes:

[T]o build effective plans, communities must understand the economic health of the entire sub-state (or multi-state) economy of which they are a part – and how they fit into that economy... Success will require collaborating with other communities that they may have competed against in the past, because new jobs and economic activity in other areas will strengthen the regional economy and bring benefits to all.

In devising economic development programmes at the national level, policy makers have largely worked on two fronts: one aimed at the problems and needs of cities and metropolitan areas – programming under the guise of
urban development and redevelopment – and one aimed at the needs of rural areas, or rural development programming. However, shifting more economic development thinking and doing from national and state levels to sub-state and local levels defies this programmatic differentiation. Sub-state economies have both urban and rural components, and attempting to separate them only serves to limit collaboration and restrict the ability to build local and regional capacity at sub-state levels. As the CfED (1993) report explains:

[Effective economic development strategies] will not be based on traditional definitions of urban and rural, but on an understanding of the economic and social structure of a particular region, its links to the surrounding economies, and the particular problems and opportunities that these structures and interrelationships present ... [Local leaders] must use this understanding to craft policy strategies and programs to build the capacities for taking advantage of new economic opportunities.

Successful collaboration at the regional level also requires ‘sustained, broad-based efforts by a spectrum of local leaders and institutions, working in tandem with market forces and producing demonstrable results’ (CfED, 1993). Local leaders cannot remake the economy or ignore fundamental trends under way in it. However, well-informed local leadership can take stock of what these trends are and attempt to better position the community – its workforce, schools, governmental bodies, businesses and educational entities – for such changes in the future. Positioning communities for potentially greater prosperity requires a detailed understanding of change.

Building the foundation of economic understanding

It is difficult to interest and engage a broad cross-section of local area leadership in a sustained leadership learning process about the economy. This is essentially why there are so few examples of ongoing, local or community-level leadership learning programmes for purposes of local area economic development. The need is for better and more understandable and engaging economic information among key players in local area development and confidence in facing and addressing the varied challenges.

While there are mountains of data on the economy and on population trends, mountains of data do not easily translate into readily understandable information for a diverse group of local leaders. A database tool referred to as
READ was designed and constructed to address this need. READ, which stands for the Regional Economies Assessment Database, was developed at the O’Connor Center for the Rocky Mountain West at the University of Montana. It is a computerised database and analysis system designed to facilitate visualisation and comprehension of the economy and economic activity at many different regional scales or levels; including the scale of sub-state, city-centred, multi-county regions.

Features of READ

The primary source of annual and quarterly economic data (detailed employment, labour earnings and personal income data) is the US Department of Commerce, through its Bureau of Economic Analysis (BEA). Most social and demographic data come from the US Census Bureau. National and state labour departments compile monthly and annual data on the labour force and unemployment. Most data are compiled for units of political geography – counties, states and nations. However, most economic activity does not operate within political jurisdictions, and examining change using these units alone hinders careful evaluation of important regional variations in the economy’s structure and change.

In READ a large array of economic and social data are organised around both political jurisdictions and more carefully defined economic regions and sub-regions. Conditions and trends in the nation as a whole can be compared and contrasted with those for the western USA and important multi-state regions of the West. Conditions and trends for important regions of the West can be compared and contrasted with each other and for many more sub-state regions. Boundaries of meaningfully defined sub-state regions better reflect how the economy is organised and operates at lower, sub-regional and local levels. At these lower levels, economies largely operated around major cities. Recognising this, most sub-state economies generally demarcated in READ are referred to as ‘multi-county, city-centred, sub-state economic regions.’

The READ system is designed to examine how change plays out or exerts itself from one of these regions to the next, carefully accounting for economic differences in the size and nature of different regions and places. Fundamentally, READ represents an effort to better understand how the economy actually organises itself in space, region by region. There is no single way to determine the size and reach of an area economy. But, it is clear, regional economies at the sub-state level are largely organised around major
population centres and their surrounding, sometimes far-flung, trade and service areas.

There are many different types of regions and regional communities and the classification system devised in READ is based upon key differences among them. A ‘hierarchy’ of regional centres and region types is visualised, reflecting an ‘urban–rural’ continuum, ranging from regions centred around major metro centres to those centred around progressively smaller centres, proceeding further to regions of sparsely populated, isolated areas that are not closely linked to particular population centres because of their remoteness. This scheme helps in identifying where particular regions and communities ‘fit’ within the larger economy and helps account for regional variations in different types of economies. This is extremely important in gauging economic development potentials for a particular area or community.

Existing data from a variety of sources are organised for this demarcation of hierarchically ordered regions, telling us much about what we need to know about the economy. Data are never complete and they do not tell us everything we want to know. But, when properly organised and portrayed, they can be an important source of information and understanding upon which to base constructive discussions by local decision-makers. READ also assists in devising strategies and initiatives for improving local economies.

**READ region ‘peer’ review**

Strategies that can succeed must reflect particular needs and challenges of particular places and the values and goals of the people who live there. In carefully identifying how one economy differs from others and what its unique qualities may be, it is very important to examine local economic data within the framework of an area peer-review process. By carefully identifying and classifying sub-state regional economies by type throughout the western United States, READ can be used in identifying regional communities or areas with similar characteristics and attributes. These ‘peer regions’ can then be used in evaluating how well the economy of one area is doing with regard to the economies of other areas with similar characteristics. These types of comparisons are helpful in identifying area ‘strengths’ and ‘weaknesses’, and in gauging how well one area’s economy is ‘performing’.

Criteria in peer region selection include the population of the region core or centre, the population of the larger region or the centre’s surrounding trade
area, and area dependencies on certain industries, like agriculture, manufacturing and government. This type of area peer review is important to properly interpret a particular region's situation as well as realistically assessing development potentials. Often area economic conditions, such as unemployment rates and poverty levels, are evaluated against similar measures for the state and nation. However, various indicators of the performance of a 'micro' area economy cannot be objectively judged against non-comparable macro units that encompass many economic regions with vastly differing economic circumstances.

The large array of economic indicators contained in READ also can be used in generally constructing a system of regional benchmarks. These are key indicators of economic conditions or trends considered by local leaders as important in gauging how well the community and region is doing economically and developmentally. Measures for these key indicators also can be compared with those for peer regions, thereby allowing the performance of one region's economy to be gauged against other peers. Peer regions which are doing particularly well in certain areas – 'high performers' – can be identified. And, with further focused study of these regions, factors that may be contributing to the success of some regions, both intentionally and unintentionally, can sometimes be identified. This type of analysis is extremely useful when incorporated into a local area leadership learning process. It also helps in making the local leadership learning process engaging.

While local community leaders are being looked to for more and more, they feel capable of actually controlling or influencing less and less, particularly when it comes to the economy. Individual communities are not able to chart their own course irrespective of larger patterns of change as this Corporation for Enterprise Development extract explains.

[Many] problems that are played out at the local level cannot be controlled at the local level...But there are some real options – as well as some false options – open to our communities...The more realistically we face the options open to us, the more likely our efforts will be more than futile symbolic gestures...It makes sense to consider what our communities now are like, and to relate them to changes going on in the larger society [and economy]. But let us keep in mind that the larger society [economy] is not only out there. It exists in our own community (CfED, 1993).
Larry Swanson

What local leaders can do within their respective communities is gain a much better understanding of the larger pattern of economic change and how this change is ‘playing itself out’ within their region and community. Armed with this understanding, they can attempt to identify ways to ‘better position’ themselves for future change; finding advantages in some aspects of change while attempting to reduce undesirable impacts associated with other aspects of change. They can attempt to make their communities more informed and adaptive and, thereby, potentially more successful and more vital communities.

Montana on the move

New trends in the economy began to redirect the Montana economy in the late 1980s and early 1990s and continue to play out. The state’s population grew by less than two per cent during the entire decade of the 1980s, with more people moving from the state than to it. In the 1990s population grew by 13 per cent, spurred by a dramatic turnaround in net migration. Rather than leaving the state destined for places of greater opportunity, more people began to move to Montana, drawn by its beauty and quality of life. An economic expansion began that has continued up to the present day.

In the fall of 2003 the very first forum of what was to be eventually called Montana on the Move was convened in Missoula, Montana. The forum was a joint undertaking of the University of Montana’s O’Connor Center for the Rocky Mountain West and the mayor’s office of the City of Missoula. Several hundred of the community’s key leaders were targeted for the forum, which was subsequently held. The first forum was several hours in length, focused upon the sharing of information about changing economic conditions and trends in the region and in Missoula. This information was compiled using READ. The information was well received and a second forum was then planned and held to continue the discussion and to move it into areas of potential action. A Missoula City Club was formed as a vehicle to continuing the conversation and learning.²

Because of the success of the Missoula forum it was decided to expand this initiative to other Montana cities and to do so under the unifying banner of Montana on the Move (MOM).³ Forums were ultimately held in all seven of Montana’s major cities. Each MOM forum was planned and conducted by a team of professionals from the University of Montana’s O’Connor Center for the Rocky Mountain West and the University of Montana’s Public Policy Research Institute.
Working through the mayor's offices of each city, local steering committees were organised in each community to assist in planning the forums. The forums were planned as learning workshops, providing key leadership from each community the opportunity to learn and talk about recent growth trends in their community and in the larger region. Challenges and opportunities associated with this growth and change became the focus of the community leadership learning workshops.

After two years and multiple forums in all of the communities, several common themes emerged from organised conversations among these community leaders. In an economy that seems to be able to go to places of its choosing, attractive cities with attractive surroundings are seeing the biggest changes. Broad cross-sections of key leadership were then asked to conjecture about how to make these changes 'better' and how to best position their community for the type of growth and change that will bring the greatest prosperity. Five common areas of need and opportunity were identified:

1 *Need for quality infrastructure.* Growing cities of quality require quality infrastructure and funding for infrastructure of nearly all types in Montana's cities – streets and other transportation infrastructure, water and sewer, police and fire protection services, educational infrastructure, etc. – lagged behind their growth. Cities built on the cheap with inadequate infrastructure will have underdeveloped economies. Cities that can anticipate growth and that can put into place quality infrastructure as they grow will have greater capacity for sustained growth and prosperity in the future. In Montana, new sources of funding for local infrastructure are badly needed.

2 *Need for quality workforces.* Virtually every facet of the economy where growth is occurring requires quality workers – workers with skills, education and experience, as well as ready access to more training and education as workforce requirements change. A centrepiece of any strategy for area economic improvement is quality workforce development programming and a quality system of education more generally. The design of this programming must be grounded in the communities and regions served and their particular economic needs and opportunities. And this programming must be 'lifelong', addressing the needs of a changing workplace and ageing labour force.

3 *Need for quality growth management.* Becoming 'better' places as they become 'bigger' places requires a shared vision for the
future and careful planning for growth. Nearly all of Montana’s cities are facing growth pressures that are straining their capacities to plan and manage this growth effectively and professionally. More attention must be given to the planning needs of Montana’s cities by state policy-makers.

4 *Opportunity for proactively pursuing economic advancement.* Past economic development policies and tools at state and federal levels tended to focus on the state’s biggest problems with limited success, while largely ignoring some of the greatest opportunities. Given changes in the state’s economy wrought by new patterns of growth, state policy-makers need to be much more opportunistic in their orientations to economic development. What is more, because economic growth was mainly coming to cities of quality in the region, the focus of economic development programming needs to be expanded beyond simply business promotion and jobs creation. Successful economic development ultimately hinges upon making Montana’s cities and communities more attractive places for people to live and work.

5 *Opportunity for urban–rural partnerships for economic progress.* Past federal programming in economic development had tended to emphasise tools and approaches for ‘urban’ development and ones for ‘rural’ development. However, the focus of local development should be on sub-state regions containing both urban and rural components. And as Montana’s cities become stronger economically, they will have greater capacity to help in addressing some of the needs and opportunities of their nearby rural neighbours. To do this, these cities and surrounding communities must develop greater trust in working together towards common economic objectives.

**Celebrate Billings**

*Celebrate Billings (CB)* is a private–public partnership of key organisations and entities in the city of Billings, Montana, with the express purpose of ‘establishing a leadership group that provides our community with one voice, common goals and a platform to successfully pursue regional excellence in the areas of economic development, civic climate, and education’.

There are many existing organisations in Billings that have similar goals to those of *Celebrate Billings* that could and sometimes have led the community
forward on different issues. However, most of these are organised for
different segments of Billings leadership – such as key leaders in business or
education or arts and culture. *Celebrate Billings* is conceived as a leadership
development entity that can span and join leadership from across the entire
community, including leaders from both the private and public sectors and
leaders that are both elected and unelected, formal and informal.

It serves to break down much of the compartmentalisation that has been
constructed between key areas of authority and decision making in the
Billings community – the type of compartmentalisation that confounds broad-
based leadership learning and participation across all of the most important
areas of community decision-making.

Adding to the success of *Celebrate Billings* has been its insistence that
leadership discussions of key issues be based upon solid and current
information about the economy. To enable this, the organisation has relied
upon a steady diet of information and analysis from the *READ* system,
maintained by the University of Montana’s O’Connor Center.

*Celebrate Billings* was conceived and organised as a private–public
partnership of five of the community’s most important institutions – the city’s
two hospitals, St Vincent Healthcare and Billings Clinic, both among the
largest employers in the community and region; the city’s daily newspaper,
the *Billings Gazette*, also the largest and most prestigious newspaper in the
State of Montana; the largest institution of higher education in the area,
Montana State University – Billings; and the City of Billings itself, through
the mayor’s office. The Billings-based Foundation for Community Vitality, a
private philanthropic organisation working in areas of community
development; also later became an important partner in *Celebrate Billings*.
And key leaders from other organisations in the community, including those
concerned with economic development and education, regularly attend
planning meetings of *Celebrate Billings*.

With each new forum and initiative *Celebrate Billings* is steadily trans-
forming the community of Billings into a learning community and, in the
process, helping to create pathways for better positioning the city and region
for future economic prosperity. It is becoming a model for other communities
throughout the USA and around the world with the same goals and objectives.
Conclusions

It is becoming increasingly clear to people who have spent a lifetime working in areas of economic and community development that local area economic development is much more than income and job creation. And, even if it were only that, the process of achieving income and job creation is much more than business creation and expansion. Increasingly, the economy — including businesses, jobs and people — is able to locate in places of its choosing. Economic entities are becoming much more footloose and, as they do, the art, science and practice of economic development themselves are changing. A survey of local economic development efforts throughout the USA by the Federal Reserve Bank of Kansas City concluded:

Increasingly economic development experts are abandoning traditional approaches to economic development that rely on recruiting large enterprises with tax breaks, financial incentives and other inducements. Instead, they are relying on building businesses from the ground up and supporting the growth of existing enterprises...Evidence increasingly suggests that the right approach is usually to focus on developing an attractive and supportive environment that might enable any business, whether small or large, to flourish, and to allow the market to sort out which businesses succeed. Many communities have had success in creating this environment. They have developed and fostered a high-quality workforce through great schools, community colleges, and universities. They have provided lifelong learning opportunities; built and maintained high-quality public infrastructure; created a business climate with reasonable levels of taxation and regulation; and through good government and quality amenities, have created the kinds of communities where highly educated and skilled people want to live and work (Edmiston, 2007, p. 92).

Economic development, or local area economic improvement, increasingly has become a matter of better positioning local communities for current and anticipated change. As Daniel Kemmis, former Director of the O’Connor Center and ardent advocate of bioregionalism states, ‘Economic development or local area economic development, increasingly has become a matter of better positioning local communities’ (Kemmis, 1990). And doing this successfully requires learning at community and regional levels, particularly among key community leadership. There is no single template for each
community to follow in doing this. There is no ‘one-size-fits-all’ strategy. Economic development is not something finally achieved and then forgotten. It is always a ‘work-in-progress’, and in order for the work to progress, it must be based upon a sustained and sustaining process of community leadership learning. Many communities aspire to create such a process. Few actually attain it. One that largely has is Billings, Montana, through the hard work and vision of Celebrate Billings assisted by the O’Connor Center for the Rocky Mountain West at the University of Montana and the Regional Economies Assessment Database which the centre has developed for local leaders.

Notes

1 Celebrate Billings website (http://www.celebratebillings.com).
2 READ can be accessed through the O’Connor Center for the Rocky Mountain West, University of Montana (http://www.crmw.org).
3 Information on the Missoula City Club can be found at http://www.cityclubmissoula.org
4 The results of forums and activities under Montana on the Move are summarised at http://www.crmw.org/montanaonthemove
5 Mission statement on the Celebrate Billings website.

References


