

METROTRENDS

A DEVELOPMENT INFORMATION SERVICE OF METROPLAN

FUNDAMENTAL CHANGES COMING IN THE '90'S

CAN WE COMPETE?

Emerging Trends Indicate a Need for More Public-Private Partnerships,
Inter-Local Cooperation, and Regional Planning and Service Delivery

Osaka, Frankfurt,
Houston, Seoul,
Buenos Aires,
Singapore, Seattle,
Lyons, Manchester,
Miami, Little Rock.
*The world of the
21st century is
moving rapidly
towards a global
economy. This city-
region can prepare
itself to compete on
the world stage or it
can settle comfort-
ably into the back-
water. This
MetroTrends identi-
fies the major
trends that are
challenging us and
suggests ways the
region might re-
spond.*



THE INFORMATION ECONOMY

The entire world economy is undergoing a fundamental change — the massive shift from an industrial-based economy to an information-based economy. As Alvin Toffler pointed out in his classic book *The Third Wave*, all of the institutions in our society are structured along the norms required by the prevailing technology. Industrial technology resulted in hierarchical, authoritarian organizations where workers followed orders and mimicked machines. Information-based technology works best in flat organizations with semi-autonomous teams and requires workers with the knowledge and willingness to make independent decisions. The down-sizing of corporations, the elimination of entire layers of middle management, the adoption of "Japanese" management principles are all part of the reaction to the shift to an information-based economy. Organizations which don't make the change will not be competitive in the future.

The same changes sweeping the private sector worldwide are pressuring the public sector as well. "Educational restructuring" is characterized by the same emphasis on quality, removal of bureaucratic middle management and push of authority to the lowest level in the organization (i.e. the classroom) that is occurring in the factory. "Privatization" of government functions is driven by the same need to down-size and is akin to "out-sourcing" in the private sector. The scarcity of resources is not only forcing governments to get more efficient, but to also examine the basic rationale for their functions and services. Local governments feel the pinch first and will be the first to adjust.

"CITIES ENDURING INTERESTING TIMES"

There is an old Chinese saying: "May you live in interesting times." The Chinese do not consider this a blessing. It is a curse. These are interesting times for city officials. Increasingly they are caught between shrinking federal dollars and shrinking local economies.

Katie Sherrod, Ft. Worth Star Telegraph



TAKING NEW PARTNERS

The scarcity of resources is forcing government to take

partners. Not only are "public-private" partnerships flourishing, but more governments are sharing services with their neighbors in regional alliances than ever before. Indeed, since



the economic city has spread over the artificial boundaries of traditional political subdivisions, regional service districts are evolving in ways substantially different from the fully consolidated (hierarchical/industrial) "metropolitan" government movement which lost steam a decade ago.

State mandates and pure economics are combining to encourage regional solutions to public transit, jail construction and solid waste in central Arkansas today. This metropolitan area has a long history of regional cooperation through Metroplan, founded in 1955 for long-range development and infrastructure planning. In the South, Georgia and Texas mandate and fund regional council planning and service delivery using a federation model (heads of local governments working together in council). Oregon and California are experimenting with directly elected regional governments and service delivery districts with independent regional tax bases.

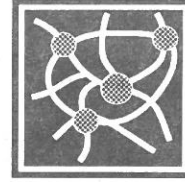


"THE VERY NATURE OF GOVERNMENT"

The way we govern will also change. The more

people are empowered through information and education, the more they will demand to exercise control over governmental decisions which affect them directly. This increased democratization will create a whole new set of "stake holders" who will want a seat at the table. Those governments that successfully and productively integrate the new stake-holders into the governing process will prosper just as their private sector counterparts do by taking advantage of increased commitment of line workers brought into the decision-making process.

The International City Management Association has undertaken a FutureVisions Consortium whose purpose is to identify trends that are likely to effect local government. The Consortium produced the following statement on governance and leadership:



THE SHAPE OF CITIES

Finally, the very shape of our cities can be expected to

change as the outward sprawl of the post-war era is slowed by the lack of funds to build new infrastructure, the environmental limits of a fossil fuel dependent system, and the demographic drought of the "baby-bust" generation.

The physical expansion of our cities (urban sprawl) after the Second World War was fed by cheap fuel, cheap land, high productivity (resulting in unprecedented prosperity), and a massive federal highway program. In addition, the baby boom and enforced war time savings created a huge pent-up demand for new housing.

What has changed since then? Fuel is no longer cheap and will get more expensive in real dollars during this decade. Land costs as a percentage of

GOVERNANCE AND LEADERSHIP

At the heart of local government management are some fundamental principles deserving exploration in the context of the future. The very nature of government is changing. At one time, governance and government were synonymous. They no longer are. This change signals the need to reexamine the role of the local government professional as facilitator of the future within the community and the region and to determine what types of leadership techniques will be necessary.

We must examine how to deal with decision making gridlock on the part of elected officials; fewer community leaders are involved in government; there are more single issue candidates; many candidates serve single terms only; and there are major obstacles to policy making due to short-sightedness or the NIMBY (Not In My Back Yard) and NIMEY (Not In My Election Year) phenomena.

"Structural" governance issues are also of concern. We need to take a fresh look at (1) the best ways to organize governmental units in the future, (2) how institutions can best be organized to provide services, (3) the potential nontraditional partnerships that might prove fruitful, and (4) regional restructuring.

Should we rethink jurisdictional boundaries? Do we need a new definition of the city? Are our organizations structured to allow us to deal effectively with future issues? How do we draw resources together in new ways to involve nontraditional institutions and relationships? How do we facilitate consensus among disparate community organizations? How do we encourage our elected officials and staff to think futuristically and take a long-term view?

new home construction in the U.S. have risen from the old rule of thumb of 20% in the 1970's to today's figures of 35-40% in the midwest, 50% in the north-east and 70% in California.

America's productivity is increasing, but at a rate far lower than Japan or Germany; consequently, our standard of living will drop comparatively unless the trend reverses.

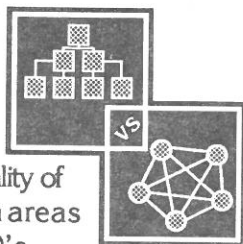
The infrastructure deficit in America is enormous. Public infrastructure such as roads, bridges, water and sewer lines, and wastewater treatment plants will have to be repaired or replaced after decades of neglect.

The cost of doing so will be staggering (an estimated \$3 trillion nationwide over 20 years) and local governments will be unable to pick up the tab by themselves. Creative partnerships with the private sector and with other units of government will be required. A clear vision of the future that is broadly shared in the community will also be essential.

STRATEGIC PLANNING

These trends will have a major impact on the quality of life in metropolitan areas during the 1990's.

Local governments will have less resources, yet face more demands by a growing number of citizen or special interest groups. Acting individually, local governments will not have the resources to deal with many of the problems and demands they will face. Many of these problems will be regional in nature, and will require solutions devised in a context wider than their own jurisdictions.



Traditional vs. Strategic Planning

Traditional

- short-range
- single issue
- organization issues
- hierarchical
- low involvement
- directive
- staff-oriented
- managerial
- staff awareness

Strategic

- long-range
- comprehensive
- community issues
- democratic
- broad based
- consensus
- community-oriented
- political
- community awareness

If the future is changing so dramatically, we must change the way we plan for the future. Traditional planning practices are quickly becoming obsolete in this complex and changing environment says Dr. Roger Kemp, city manager of Clifton, New Jersey in an article in the National Civic Review. Typical government planning has been characterized as reactive, short-range, staff-oriented, dominated by single-issues, and lacking in community support.

Long-range strategic planning has become a common practice in the private sector over the past decade. Unlike traditional governmental planning, strategic planning is proactive, comprehensive, long-range, community oriented, and consensus driven. Strategic planning also enjoys greater legitimacy because its outcomes are based on citizen participation and public consensus concerning the issues and problems facing the community. Like regional cooperation, strategic planning is needed to facilitate the development of a unified vision of the future. Without it, we, as participants in the metropolitan economy, will not be able to mobilize the resources needed to manage our community's most pressing problems.

THE CIVIC INDEX

Mr. James Joseph, president of the Council on Foundations, advocates using the National Civic League's Civic Index as a way to measure the health of the "civic infrastructure" in a community.

CIVIC INDEX CRITERIA

1. **Citizen Participation**—Informed, participating citizens are the first requirement of a vibrant, strong community.
2. **Community Leadership**—Government, business, non-profits, and citizens groups must all be involved in leadership. Are they willing to share power, take a long-term view?
3. **Government Performance**—Is the local government professional and competent? Is it open and accountable?
4. **Volunteerism and Philanthropy**—In times of shrinking public resources, are citizens and institutions in communities giving more of their own time, money, and in-kind service to help themselves?
5. **Inter-group Relations**—American communities are becoming more ethnically, racially, religiously, and economically diverse. Does the community have programs to stimulate communication among diverse populations?
6. **Civic Education**—A strong civic infrastructure requires a well-informed, competent citizenry.
7. **Community Information Sharing**—How well is the citizenry being informed about critical issues of the city and region? Is government making information available?

(continued on back)

CIVIC INDEX (continued)

8. Capacity for Cooperation and Consensus Building — How in our tenuous society do the vital partners — private business, city and county governments, non-profits, and neighborhood organizations — collaborate in identifying their common goals?

9. Community Vision and Pride—Every community needs a way to focus on its own vision of its long-term future. Are there mechanisms for creating a true community-wide vision? What is the community's self-image?

10. Inter-Community Cooperation—Are local government entities trying to work together on shared problems? Are there viable ways to address region-wide problems or policy issues?

A NEW VISION FOR THE METROPOLITAN AREA?

Long-range strategic planning is not new in this metropolitan area. It just hasn't been practiced in some time. When Metroplan was formed in the mid-1950's through the publication of its last regional comprehensive plan in 1968 (projecting growth and development through 1990), the organization employed the strategic planning principles described above.

Since that time, individual jurisdictions have been administering the parts of that plan. As time passed and the players have changed, the original unifying vision was lost. The individual pieces of the plan operated separately, built-up their own constituencies and became "turf" to be defended. This process is not unlike what happened in large corporate bureaucracies such as General Motors or U.S. Steel.

Given the fundamental changes taking place in the world around us, is it not time to define a new vision for the entire metropolitan area? Can we do it comprehensively, so the pieces all fit together? Can we do it broadly, so that all groups at interest are involved? Can we define the common good and develop a shared vision? Will this vision be bold enough to carry the community into the 21st century as a competitor on the world stage?

And finally, who among us will stand and answer the question,
"Can we compete?"

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