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## **Issue: Regional economy, White: Lansing, time to talk about new ideas**

Start thinking about exports, small businesses

A week and a half ago, the Lansing area got the Thanksgiving from hell: The news that two more General Motors Corp. facilities were closing.

Yes, there was some good news in that GM still plans to open an assembly plant in Delta Township. But with the other closings of recent years (the venerable Lansing Car Assembly plant in May and the stunning end of the Oldsmobile brand), these are troubling times for the Lansing area.

My advice to area leaders: Don't put a happy face on this.

Rather, use these worries to organize a series of conversations about the future. And don't depend on the government and the chamber of commerce to do all your thinking.

Draw in people who've never been invited before to think about and talk about the region's future. The surprise - collectively, they will see things more clearly and identify opportunities more fully than a handful of the brightest people.

Let me offer a few thoughts to get these conversations going.

When I lived in Lansing in the 1970s, local leaders didn't spend a lot of time thinking about the region's economy. When they did, they tended to see it as a three-legged stool, with state government, higher education and the auto industry as its legs.

What we've learned in the last 25 years is how poorly such simple economic analogies work because they turn attention toward the largest institutions and away from the small, fast-growing businesses that actually

create jobs. And they point people to the past when they should be thinking about the future.

So what's a better way to think about the Lansing area's future? Here are three frames that might help leaders talk about the economy of tomorrow:

- First, economies are built on exports.

No, not just things that you send overseas. For regional economies, exports include anything made in Lansing but used elsewhere. The key: Healthy economies need companies that bring money to an area.

So while an Ikea store may be a shopper's delight, you don't build economies on retail, which circulates money already in an area. Lansing's future economy has to draw money from Detroit, Atlanta and Taiwan.

- Second, you may already be producing these things and don't recognize them.

Or, if you do recognize them, you may not see them as valuable. Good example: The Pacific Northwest has long attracted people who loved the outdoors, from long-distance runners to mountain climbers. Thirty years ago, these skinny, unkempt types were regarded with alarm by civic leaders in Seattle and Portland, Ore., - until, of course, they created businesses like Nike, REI and Eddie Bauer around their passions and these businesses grew into major corporations.

People in the Lansing area have valuable skills and are likely creating small businesses today around these skills. The task for regional leaders is to identify these fast-growing businesses and make them feel so much at home that they'll never move away.

- Finally, the areas that attract and keep the smartest, most energetic young people almost always win.

And here the Lansing area has an advantage: Every year, its educational institutions bring in thousands of smart young people to be educated. There's a river of human capital flowing through your area; find ways of holding on to some of it.

How? By making Lansing and its suburbs more appealing to young people. And how do you know what's appealing to people in their 20s and 30s?

Here's an idea: Invite some of them to the conversations about Lansing's future.

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