

Globalization requires a regional view

By Robert Clark
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Transforming the economic development view from a short-term community view to long-term regional view is a critical step in moving economic development forward. This has been the prime motivation and concept behind the region's Economic Development Task Force, which has been meeting over the past year under the leadership of Bob Jones, president and CEO of Old National Bancorp. Concentrating on the regional nature of economic development is critical to the long-term prospects of the Tri-State.

With this concept in mind, it is evident that our region also is involved in a global economy. Thomas Friedman asks in his book, *The World is Flat*: "Where were you when the world became flat?" Translation: The world has changed and we either change with it or fall behind. Students today do not remember when mail order actually involved putting a stamp on an order, placing it in the mail and waiting. Today, with the internet playing an ever-growing role in commerce, this is a completely foreign concept and our businesses must adapt accordingly or lose ground.

This makes the economic development mission of a region even more challenging as the traditional concept of location becomes less well defined and more open to interpretation.

Wall Street financial advisers no longer need to be on Wall Street n they could be in Evansville and through technology commute to Wall Street and the world. Thinking of future economic development in this context presents a new, more dynamic model that requires a greater regional perspective. Indiana's economy is heavily dependent on manufacturing, which also means that it is heavily linked to exporting. In 2005 the Indiana economy exported \$21.5 billion dollars worth of goods overseas. Under the conventional view that each \$1 billion in export trade supports 20,000 jobs this translates into approximately 430,000 jobs in Indiana directly linked to trade. This figure places Indiana in position as the 11th highest exporting state in the United States. The economic impact of globalization on Indiana's present and future is profound and merits our attention in economic development planning. (This trade data was obtained from the State Office of Trade and Economic Analysis.)

Evansville's contributions to the state's global future economic development are essential and require us to actively lobby the statehouse for funding of economic development on a regional basis. To strengthen our case for support with our leaders in Indianapolis we must make our case for state investment in the Evansville region on a regional basis.

As we pursue support to prepare our economy for the global environment we must remember that our economy's infrastructure is the small business enterprise. In Indiana approximately 50 percent of our economy comes from establishments with one to four employees; 21.1 percent from those with five to nine employees; 13.7 percent from those with 10 to 19 employees; 9.5 percent from those with 20 to 49 employees; and 3.3 percent from those establishments with 50 to 99 employees. The state has 170 establishments with over 1000 employees, but clearly the importance of the small firm in advancing our economic future cannot be ignored in pursuit of the large "deal." Ensuring that our state laws and regional economic development incentives also can provide support for small entrepreneurial firms is critical, even as they generate less headlines. As the trend of globalization inevitably moves forward, the critical role of educational institutions at all levels is preparing tomorrow's leaders. We fulfill this role by ensuring that our students are presented with diverse views and the tools with which to evaluate their own perspectives. UE's International Speaker Series seeks to provide a diversity of views n even when speakers clearly do not reflect our own personal views. The ability to evaluate and process these diverse views is important for a community to move forward.

This year, all first-year students at the University of Evansville were assigned readings from Friedman's *The World Is Flat* as their common reading. As they joined us on campus they were asked to share thoughts and reflections on Friedman's treatise. Their reflections clearly indicate our students are preparing to enter a more complex global world. One student reflected, "Evansville has a vested interest in globalization because of the needs of the city and its people. Globalization is necessary in meeting the potential that Evansville has. It is a very unique city that could be greatly assisted in doing the specialized business that globalization could bring. More jobs, better jobs, and ultimately growth would come from a globalization of Evansville's economy."

I would add that globalization requires the strong regional economic development approach now evolving. For Economic Data: www.stats.indiana.edu/sp/