

**The Rural-Urban Continuum in Appalachia
Expanding Market Access through Increased Connectivity
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**SEVEN STEPS TO INCREASING
RURAL-URBAN ECONOMIC CONNECTIONS
IN CENTRAL APPALACHIA**

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An extensive review of relevant research and practice suggests the following:

- It is in the interests of Nashville, Louisville, Lexington, Charleston, Knoxville, and Johnson City – as well as Cincinnati, Columbus, and Roanoke – that the rural economies in their respective regions perform at a higher level.
- The hard and fast distinctions between urban and rural that are ingrained into the political, professional, and cultural discourse, and reinforced by government statistical definitions, have limited meaning in reality. Considerations of policy and development are therefore best taken within a regional framework to embrace rural-urban interdependence.
- Much of current thinking about rural development is focused on the connections or linkages between urban and rural places, either as a means of describing and explaining interactions and their positive and negative impacts, or as showing the value of interdependence – what rural provides for urban, what urban provides for rural.
- Clusters and supply/value chains are increasingly used to analyze and support economic development efforts. Clusters are geographic concentrations of inter-connected companies and supporting institution; supply/value chains refer to flows through a developmental process regardless of the location of the participating companies. Both have relevance for rural-urban interactions and for examining the connections between companies within and across regions, although supply/value chains are more applicable to predominantly rural regions such as central Appalachia.
- With the increasing adoption of supply chain management, and particularly *sustainable* supply chain management, distinctions between supply and value chains have less meaning. Indeed, definitions of sustainable supply chain management align directly with CAN's own definition of value chains.
- The importance of intermediary institutions to manage supply chains and their transactions, information flows, and policy is underscored particularly for small and medium sized businesses lacking the capacity and resources of large corporations.
- CAN members' philosophy, approaches, and experiences are strongly supported by the literature, particularly in relation to (a) sustainable supply chain management in food, wood products, and artisanal products, (b) the concept of "short food supply chains", and (c) the role of intermediaries.

Seven Steps

The discussion at CAN Tank will lead to some very specific action steps to improve market access for rural-based sectors in Central Appalachia. Seven steps are recommended that build upon current approaches and activities to increase rural-urban economic connections, and thus expand market access for Central Appalachian enterprises:

1. **Expand intermediation.** Replicate current intermediation approaches from one part of central Appalachia to others, such as the *Regional Flavor* concept in Ohio, recognizing the different social, cultural, culinary, and resource conditions from state to state. *CAN, its members, and its partners should pursue intentional and appropriate replication or brand expansion strategies.*
2. **Capture regional markets.** Explore regional markets, focusing on the nine main urban markets (and their suburbs) and CAN's target sectors, building retail and supply chain connections, distribution systems, and umbrella branding. *CAN members and partners should engage with regional business schools to conduct market development research.*
3. **Connect to urban procurers.** Develop connections with procurement offices in urban-based businesses and work with rural-based businesses to engage with appropriate supply chains. *CAN members and partners should collaborate with urban-based economic development advisory, technical assistance, and financing agencies to broker and support these interventions.*
4. **Broaden regional branding efforts.** Convene business-to-business gatherings to explore how CAN brands, current and proposed, play in regional markets, and where regional branding efforts need to be stepped up. *CAN members and partners should consider supporting fledgling initiatives through technical assistance and small grant programs.*
5. **Focus on exports and import substitution.** Convene sectoral business-to-business gatherings related to food, energy, health care, and selected manufacturing sectors located in central Appalachia. *CAN members and partners should explore import substitution or export opportunities to which rural-based companies can respond.*
6. **Capitalize on provenance and quality.** Explore the concept of "short supply chains" for products and services in a range of sectors where provenance and quality can provide a competitive advantage. *CAN members and partners should reach out to public and private economic development organizations and financing intermediaries to identify potential candidates for umbrella regional brand marketing.*
7. **Track impact and tell the story.** Identify and apply specific metrics to track the development and impacts of sustainable supply chains (value chains) so as to drive efforts to forge connections across the rural-urban continuum. *CAN members and partners should work with supply chain participants to create and apply meaningful measures.*