

# CENTER REPORT SUMMARY

## Which way now?

### Economic Development and Industrialization in North Carolina

North Carolina is a predominantly rural state, ranking 11th nationally in the size of its industrial work force and eighth in the size of its manufacturing work force. A larger proportion of North Carolina industrial workers are employed in manufacturing than is the case in any other state, while a smaller proportion of its industrial workers are unionized than in any other state. From 1966 to 1976, only Texas (which has twice as many people) and California (which has about four times as many people) gained more manufacturing jobs than did North Carolina. During this period North Carolina per capita personal income grew by 240 percent, compared to 190 percent nationally. Yet North Carolina ranked only 41st among the states in per capita income, and its average hourly manufacturing wage was the lowest in the nation.

*Which way now? Economic Development and Industrialization in North Carolina*, a study by the N.C. Center for Public Policy Research, examines the factors underlying these and other trends in the state's economy and considers the effects of state and federal programs and policies on 10 counties in Regions K and L. Although the study focuses on the role of industrial development, especially manufacturing, it points out the importance of non-manufacturing employment and national trends in state economic development.

The recently published study raises important issues about the actual impact of state and local development policies on the state's recent and prospective economic growth. Specifically, it observes that the rapid industrialization of North Carolina has resulted more from the "sunbelt phenomenon" and other national trends than from the actions of state government. Moreover, the urban, urban fringe, and rural areas of the state have developed differently in the past and will continue to develop differently. These and other findings substantiate the conclusion that the Balanced Growth Policy of the Hunt administration is an inadequate statewide development policy that offers little guidance for the management of urban growth, while encouraging unrealistic expectations about industrial development in rural areas. This Balanced Growth Policy is the most recent expression of an economic development strategy based on industrial recruitment, which was first adopted in North Carolina by Governor Luther Hodges over 20 years ago. The current policy also espouses concern for providing more diverse and better jobs where people live and for closing the income gap between North Carolina and the United States. Although some progress has been made toward these somewhat inconsistent objectives during the Hunt administration, the state's influence on economic development has been modest at best. While the Governor may profess a willingness to "move heaven and earth" to get a Phillip Morris plant in Cabarrus County, the fact is that neither the Governor nor the state can influence heaven, earth, or Phillip Morris very much.

According to the report, the major economic development issue confronting the state is how to best manage growth to maximize its benefits for all citizens, recognizing that some areas will develop rapidly, some slowly, and some very little, if at all. Specific recommendations and suggestions are offered to address this issue. Important areas of concern include the comprehensive management of water resources, the development of rural, urban, and inter-urban transportation alternatives, the creative assessment of economic development options available to regions and communities, and public accountability in the management of economic growth. The study calls for a statewide development policy that concentrates on the management of growth in all areas of the state, while recognizing the differing needs and capabilities of urban, urban fringe, and rural areas and encouraging the greater involvement of local governments and their citizens in choices about how their communities are to grow. □

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# The Demise of a State Program

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A study done by researchers at East Carolina University concludes that the demise of the Statewide Prekindergarten Screening Program (SPSP) was due, in part, to defects in policy development. The study analyzes the screening program, which was begun in October, 1975, and ended in September, 1977, in terms of a model of social policy formation. The model presents eight stages: identification of problem, analysis, informing the public, development of policy goals, building public support---legitimation, program design, implementation, and evaluation and assessment.

The study, done by Linda Hunt and Pat Allen in cooperation with John R. Ball, head of ECU's Department of Social Work and Correctional Services, identifies problems at three of those stages in the development of the screening program: development of policy goals, building public support---legitimation, and program design.

In the "development of policy goals" stage, "general discussion within the appropriate agencies should occur, leading to a general statement of broad-based goals or objectives." The study suggests that the policy goals of the screening program were largely determined by then Secretary of Human Resources David Flaherty. He decided that the program would screen all four-year-olds, that it would have a non-medical orientation, and that the results of the screening would be given to kindergarten teachers so children could receive the individualized instruction they needed. "Although the policy goals were formulated in this stage," the study says, "they were essentially the ideas of one administrator as opposed to a group consensus. Consequently the support base for the program was already weakened."

The program was further undermined, the study says, in the stages of "building public support---legitimation" and "program design." The screening project was rushed into final form to be ready in time for the 1975 legislative session, responsibility for the program was given to the network of Development Evaluation Centers (DECs), which were then making the transition to state control, and the program was funded as a line item in the DHR budget without special supporting legislation.

The rush to get the program started, according to the study, resulted in the alienation of "powerful and influential groups" that included "people like the medical and pediatric communities, the public health department, the DPI [Department of Public Instruction], former study groups, and even the administrative hierarchy within the Department of Human Resources." DPI officials "appeared to lose interest as they were concerned mainly with the new kindergarten program as well as the Equal Education Bill." And the health departments, "as locally controlled autonomous agencies, withdrew their support after the program was placed under the state-controlled DEC framework."

The DECs, according to the study, were struggling with their own internal difficulties at the time they were given responsibility for the screening program. "The program may have had a stronger beginning," the study says, "if it had been placed within a strong, well-organized and supportive division of state government."

In regard to the funding of the program, the study notes: "Its financial lifeline extended only to the point when the Department of Human Resources chose to use the money elsewhere. Thus, a major statewide effort for children existed at the pleasure of a state agency administration." Flaherty's successor as Secretary of Human Resources, Dr. Sarah Morrow, decided, indeed, to use the money elsewhere. "The secretary wholly supported the basic premise of screening, but felt that best results are obtained by screening high risk infants rather than four-year-olds. So, as part of the new direction of her office, she chose to terminate the SPSP and focus on the development of an infant program."

The study concludes: "It may be idealistic for state government to adopt one or another specific social policy model, but it is imperative to maintain continuity of policy development. An absence of the science of policy making in state government is a very expensive way to effect program development."

Copies of the study are available from John R. Ball, Chairperson, Department of Social Work and Correctional Services, East Carolina University, Greenville, North Carolina 27834.

## And furthermore

### Legislature Considers Child Restraint Bills

Two bills that would require drivers to use child restraint devices in their automobiles were introduced during the current session of the General Assembly. (Efforts to encourage the use of child restraints through education and legislation were the subject of an article in the winter issue of *N.C. Insight*.)

One of the bills was introduced by Rep. Ted Kaplan of Forsyth County. Kaplan had the bill drafted after a presentation on the use of child restraint devices at a conference in Winston-Salem. The other bill was introduced by Rep. George Miller of Durham County. Miller's bill emerged from the deliberations of a group brought together by Dr. Minta Saunders, Assistant Secretary for Children in the Department of Human Resources. That group included officials from a variety of state agencies involved with safety issues and children's issues and representatives of medical and public health organizations.

The Kaplan bill would provide that "every driver of this State, when transporting any child under the age of four on the roadways, streets or highways of this State, shall use a child-passenger restraint to protect the child." The Miller bill would apply to more children; it calls for the use of child restraints for all children under the age of five. But under the Miller bill, use of a child restraint would be required only of a driver "who is transporting his own child of less than five years of age, when the driver is operating his own motor vehicle (or a family purpose vehicle), . . ." Violators of the law would be subject to a fine of up to \$100 and/or imprisonment for up to 60 days.

The law would not apply to "vehicles registered in another state or jurisdiction; ambulances or other emergency vehicles; vehicles of over nine passenger capacity or any vehicle exempt from the seat belt safety equipment requirements by virtue of federal law or regulation; or a temporary substitute vehicle."

The Miller bill has a Sunset provision. The law would become effective on July 1, 1980, and expire on July 1, 1983. It also calls for the University of North Carolina's Highway Safety Research Center to conduct---during the three years of the law's existence---"a statewide study to determine the effectiveness of the child restraint system in preventing deaths and injuries."

## Making North Carolina Prosper

**A Critique of Balanced Growth and Regional Planning**, scheduled to be published by the Center in June, takes a hard look at the Governor's Balanced Growth Policy, which is designed to help develop and urbanize dispersed communities across the state.

- How will the policy affect the economic progress of the state?
- How does the policy build upon the work previously done in state and regional planning?
- What is the quality and usefulness of economic development planning by regional councils of governments (COGs) and what is the role of these councils in the state policy framework?
- How do we avoid the pork barrel approach to public investments, ensuring that the public's money is wisely used to help make North Carolina prosper?

The report will address these questions. Based on research of the literature on planning and economic development and interviews with economists, regional planners, developers and state officials, the report includes critiques of economic development plans from five of the state's seventeen planning regions. The report complements and follows up on the recent Center report, Which way now? Economic Development and Industrialization in North Carolina. To reserve copies, fill out the enclosed card.