



Decision Points for LEGO's Path Forward

An Implementation Blueprint to Spur Inclusive Growth

Part 2: Analysis and Decision Points

AUTHORS

Rebecca Ruan-O'Shaughnessy
Senior Program Manager, JFF

Alison Schmitt
Senior Program Manager, JFF

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IEGO's Driving Role in Post COVID-19 Recovery

The COVID-19 crisis has brought with it an unprecedented amount of uncertainty. While we can't even begin to project the full economic impact of the pandemic globally and here in the Inland Empire, we know it will be significant, lasting, and will disproportionately impact the region's most vulnerable residents. Many IE institutions are currently in rapid response mode: schools are pivoting to virtual learning platforms, business owners are fighting to pay their workers, hospitals are battling the largest public health crisis in a century, and public agencies are providing support to a rising number of unemployed residents. Amidst the urgency of the rapid response, the Inland Economic Growth and Opportunity (IEGO) effort offers a path forward toward building a resilient economy. IEGO provides an opportunity to lead the IE's recovery effort, to reimagine and reinvent a future economy that is inclusive, equitable, and resilient to external shocks.

Now more than ever, the state of California is looking to its regions for leadership and collaboration on innovative models of how to develop their economies differently to produce more equitable outcomes. The Future of Work Commission is looking for ways to elevate worker voice and improve working conditions through technology. The California Workforce Development Board is investing in High Road Training Partnerships throughout the state to generate family-supporting jobs. The Regions Rise Together initiative is taking a "regions up" approach to development. While short-term state priorities may have shifted in response to COVID-19, the medium to longer-term needs remain the same: to build a thriving economy that serves all residents, grows its own talent pipelines, and transforms key industry sectors to provide high quality jobs and environmental sustainability. The IE has the potential to be a transformational leader in this effort if leaders choose to advance together.

So how can the IEGO campaign spur transformational inclusive economic development? Equity and inclusion must be a priority to achieve an economic future where all residents can earn middle-income wages. Planning and practice must be driven by values of equity, transparency, sustainability, and community engagement. It means creating a set of operating norms that formalize new and innovative ways of working with community groups, residents, workers, and youth—elevating their expertise and co-designing and implementing solutions for a sustainable and equitable economic future. When planning for recovery, inclusive economic strategies will be increasingly important. This blueprint offers some recommendations and decision points for IEGO leaders to consider on the path forward to building an inclusive economy.

Part 2: Analysis and Decision Points

To best position the IEGO Coordinating Council for decision making during the next phase of work, the following questions were considered to guide the analysis:

1. How *far away* is the region from productively working together to achieve inclusive growth, and what would working together differently *look like*?
2. What does the region *need to do* to work together to achieve inclusive growth?

When assessing these questions, there are three layers to consider: 1) IEGO's cluster and sector development strategy, 2) IEGO's position in the regional ecosystem and role in stimulating inclusive growth, and 3) inclusion in IEGO's process.

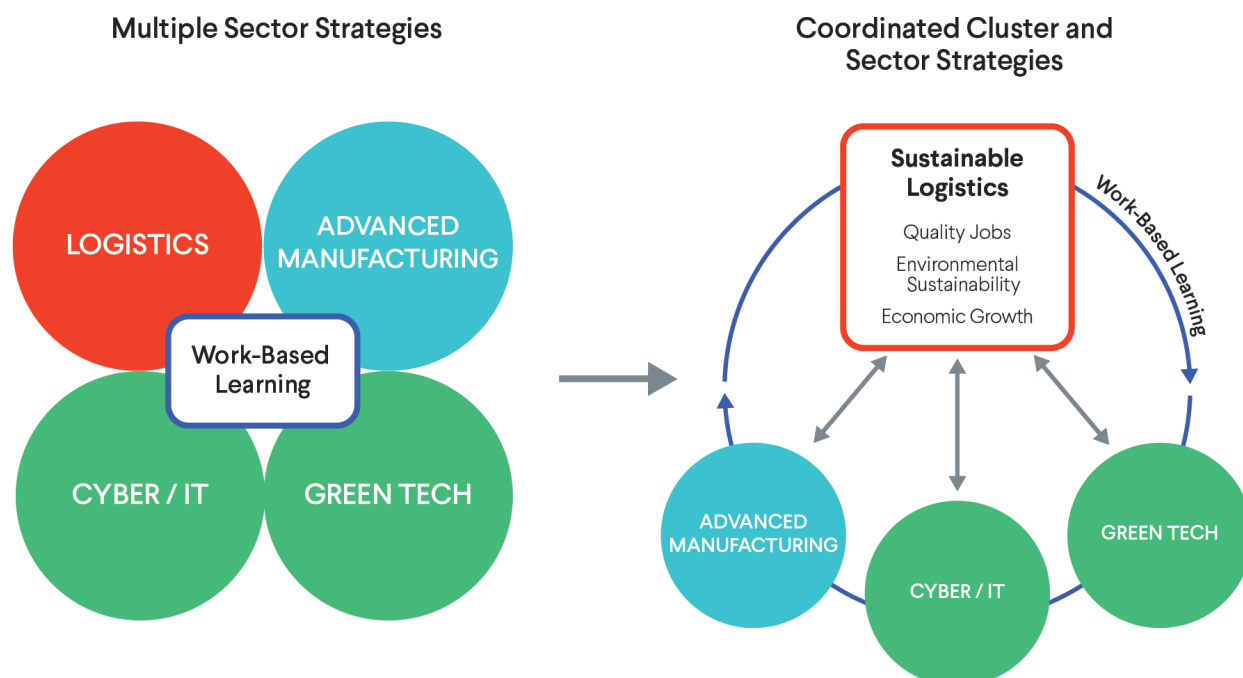
Question 1

How *far away* is the region from productively working together to achieve inclusive growth, and what would working together differently look like?

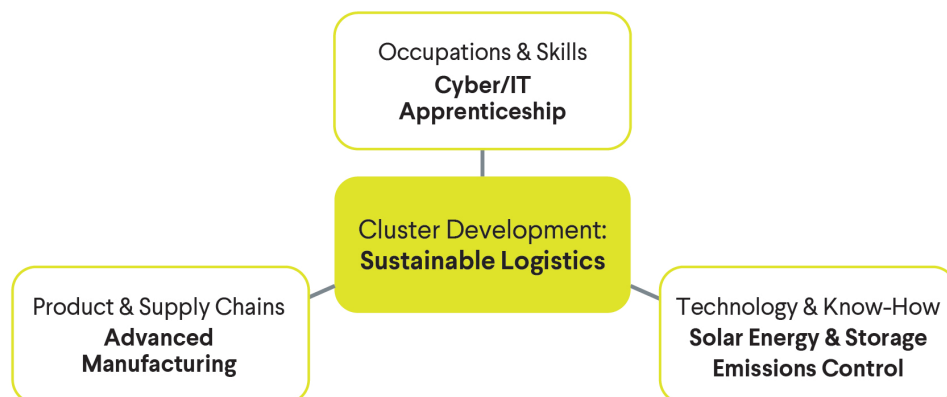
Coordinated Cluster and Sector Development Strategy

The existing IEGO sector strategies, as outlined in Part 1, are on track to achieve their respective sector objectives. However, because assets, resource needs, and implementation priorities differ by sector, the overall IEGO strategies run the risk of duplicating efforts and/or diluting focus, which at best will lead to inconsistent and ineffective investments, and not transformational changes for the region. Therefore, the region would benefit from a **coordinated approach** that fully capitalizes on existing regional assets and leverages the interconnectivity and interdependencies among them.

Based on a number of factors—including the IE's reputation as a national leader in logistics, the concentration of related firms, and the progress of existing efforts like the logistics Center of Excellence and High Road Training Partnership—investment in an anchor cluster strategy focused on *Sustainable Logistics* can help the region grow quality jobs, environmental sustainability, and economic growth *and* catalyze sector development in advanced manufacturing and in emerging industries such as cybersecurity/IT and green tech.



According to the Brookings Institute, a cluster is defined as a critical mass of firms that are geographically proximate and economically interdependent.¹ A reframing of IEGO's four discrete strategies into one coordinated approach to cluster and sector development requires an understanding of how each piece fits together. Interdependency of firms can be measured by sources such as 1) Occupations and Skills, 2) Product and Supply Chains, and 3) Technology and Know-How. For example, creating apprenticeships in cybersecurity is beneficial to IT companies, but this occupation and skillset is also needed in the logistics industry—logistics firms need cybersecurity professionals and IE residents need training pathways to access these jobs. Additionally, the solar technology being developed by SC-RISE and other academic institutes is a key component in the development of a logistics future that is environmentally sustainable.



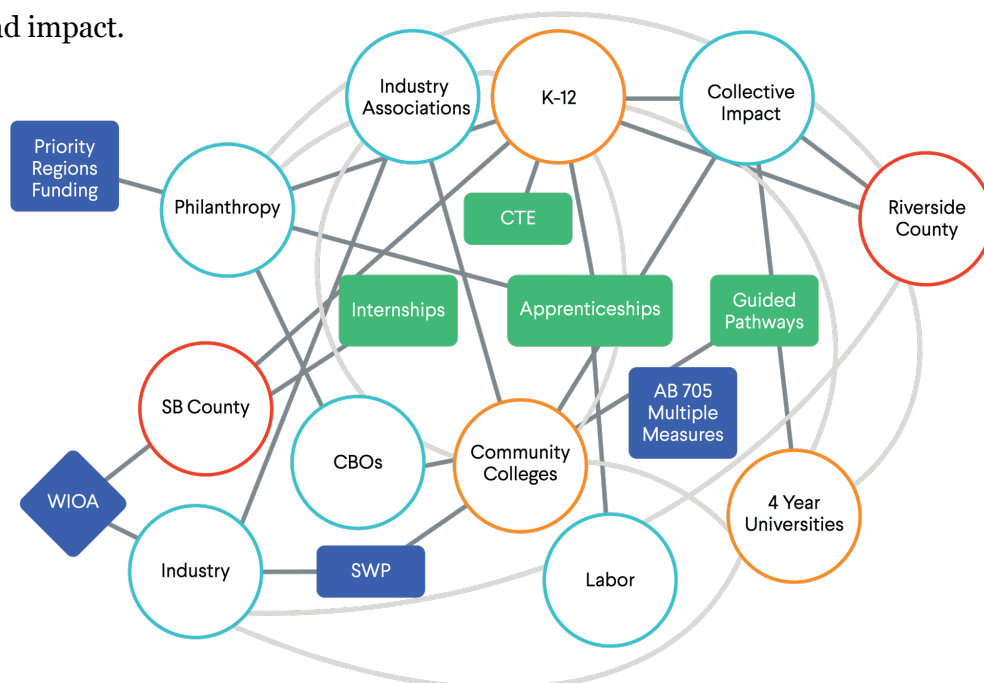
Building a Sustainable Logistics industry cluster will not be easy. The history of logistics in the region as being synonymous with low-paying jobs and pollution can not be ignored. However, environmental justice and labor organizations have already expressed eagerness to partner on this strategy to reimagine the future of logistics in a way that benefits workers.

To ensure the long-term sustainability of this strategy, there is a great opportunity for private industry and the economic and workplace development agencies in Riverside and San Bernardino counties to lead.

The 2018 Brookings Institute report *Rethinking Cluster Initiatives* (2018) cautions against making inconsistent and ineffective investments in four or five clusters at once. A more effective strategy is to mobilize regional investment into one cluster and create the conditions for sustained investment over time.² From an investment perspective, the state and private industry will be more willing to fund a strategy that has the broad-based support and participation from a variety of community, labor, and environmental justice groups. To ensure the long-term sustainability of this strategy, there is a great opportunity for private industry and the economic and workplace development agencies in Riverside and San Bernardino counties to lead.

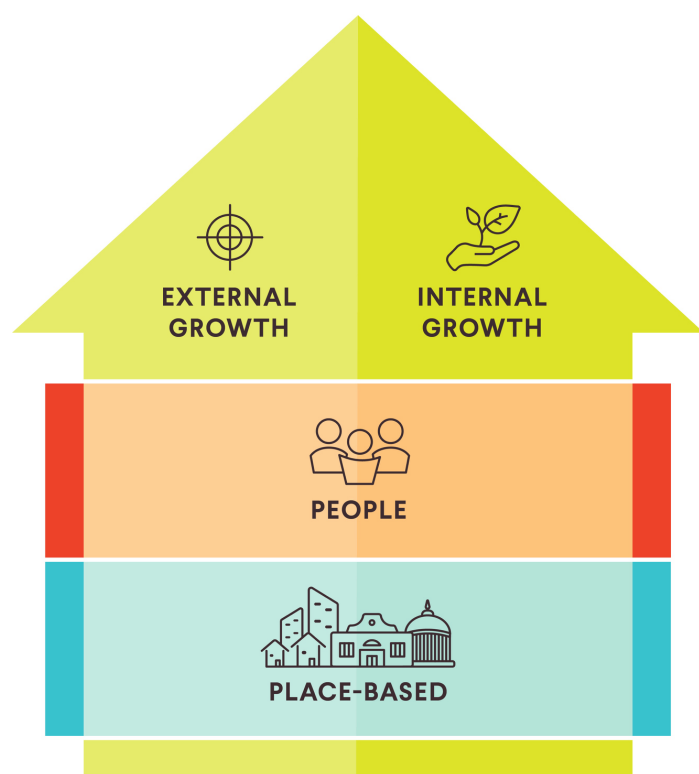
Position in the Regional Ecosystem

The IE region's economic development, education, and workforce landscape is exceedingly complex and therefore difficult to organize. Institutions and cross-sector partners are linked in multiple channels by initiatives, legislation, and funding models (*see an example of this in the graphic below*). Leaders participate in many regional collaboration tables that lead to many promising programs, but the lack of coordination limits the ability to scale to achieve widespread impact.



Based on the complex nature of the growing inequality in the IE, IEGO has recognized the need to do economic development differently. Rather than only focusing on traditional growth strategies that prioritize the attraction of outside capital, businesses, and workers, the region must focus on building resiliency and advancing shared prosperity in communities. The COVID-19 crisis makes this need for resiliency ever more apparent. Doing economic development differently means recognizing the interdependence of economic development with human capital and place-based conditions that affect an individual's economic mobility— factors like racial segregation, social cohesion, and land use.

Inclusive Economic Development

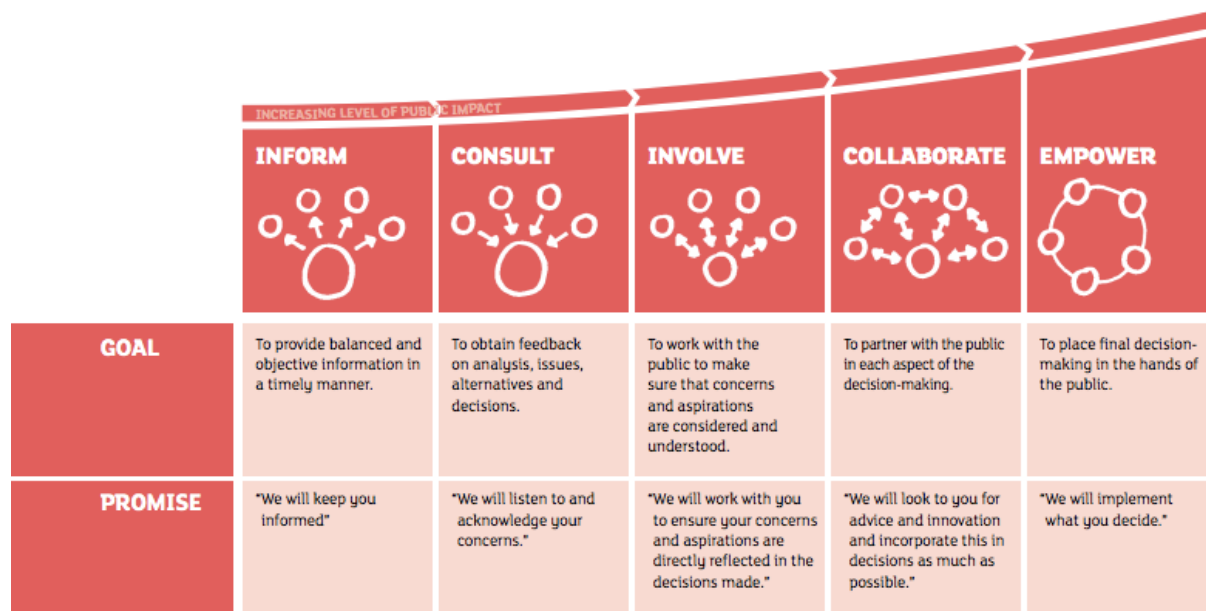


IEGO is not working alone to tackle inequality. Many regional initiatives like Growing Inland Achievement, Inland Empire Economic Partnership, and Inland Empowerment play critical roles in this ecosystem. A unified effort is needed to align the numerous regional collaboratives, nonprofits, educational institutions, public-sector agencies, and businesses working toward a common goal. IEGO should not and does not need to do all things, but needs to know how to strategically coordinate with other organizations/initiatives that help fill in the gaps.

Coordinating regional activities under an inclusive economic development framework makes it possible for institutions to pursue their own goals (i.e. healthcare pathways) while also embracing IEGO's priorities.

Operationalizing Inclusion

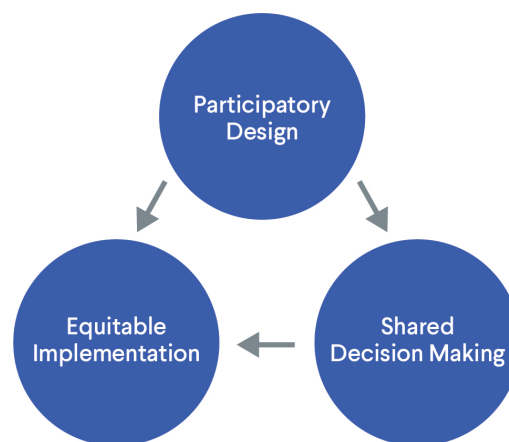
It can be difficult to assess the extent to which diverse voices and perspectives, especially those of community groups, environmental justice advocates, workers, and youth, have been intentionally and effectively included in the IEGO campaign. To provide a framework for reflecting on and expanding community engagement, we find it helpful to use IAP2's Spectrum of Public Participation, illustrated in the graphic below.



Based on this framework, IEGO would likely fall in the “consult” or “involve” part of the spectrum. Many community and labor organizations were convened and invited to participate in IEGO’s initial planning conversations and working groups, but they are not represented in the IEGO Coordinating Council, which is the primary decision making body. Rather than reevaluating decisions made in the past, IEGO now has the opportunity to be intentional in its strategy for inclusion going forward, both to improve long-term outcomes in the IE and to provide a model for the state of what an inclusive process looks like in a regional economic development initiative.

If IEGO leaders want to move from a “consult”/“involve” phase of inclusion to a “collaborate”/ “empower” phase, now is the time to act. Here is one illustration of a mental model that can help IEGO leaders think about ways to make the process more inclusive.

Participatory design—actively involving a diverse set of stakeholders in the design of a strategy, especially those most impacted by the strategy.



Shared decision making—a governance structure that empowers diverse groups of stakeholders to make decisions that will impact their lives.

Equitable implementation—enacting policies and programs in a way that prioritizes diversity, equity, and inclusion.

Although IEGO has a well-researched foundational strategy, the journey toward inclusive growth will occur over many years and will require many more iterations of design, decision making, and implementation. It is not too late to authentically engage students, workers, and community activists as experts in this process. In light of the COVID-19 crisis, we're now seeing the imperative for IEGO to be agile in the face of external shocks and willing to pivot when presented with new information. In a region as geographically and ethnically diverse as the IE, customized strategies and distributed leadership are needed to ensure we are not simply replicating old strategies and expecting different results.

Question 2

What does the region *need to do* to work together to achieve inclusive growth?

The path forward requires a series of decisions to be made.

Decision Points

COORDINATED CLUSTER AND SECTOR DEVELOPMENT STRATEGY

- Does this coordinated cluster and sector approach support IEGO's mission to provide economic opportunities for workers without a bachelor's degree?

POSITION IN THE REGIONAL ECOSYSTEM

- What action steps can IEGO leaders take within their institutions to support an inclusive economic development strategy?
- What action steps can IEGO take on a regional level to support an inclusive economic development strategy?

OPERATIONALIZING INCLUSION

- Should IEGO formalize a process for engaging and/or re-engaging diverse stakeholders (i.e. labor, community-based organizations)?
- How should IEGO engage diverse stakeholders in the design, decision making, and implementation of its coordinated cluster and sector strategy?

Endnotes

¹ Ryan Donahue, Joseph Parilla, and Brad McDearman, *Rethinking Cluster Initiatives* (Washington, DC: Metropolitan Policy Program at Brookings, 2018), https://www.brookings.edu/wp-content/uploads/2018/07/201807_Brookings-Metro_Rethinking-Clusters-Initiatives_Full-report-final.pdf

² Donahue, Parilla, and McDearman, *Rethinking Cluster Initiatives*.