

Emergence To Compete: Building Capacity for Economic Growth



Private sector growth and job creation take place locally—in towns and surrounding regions where businesses and markets function. In many countries, however, economic growth is typically centered in the capital city or in two or three additional urban centers. Investment and job creation beyond the center remain far less dynamic and often stagnant, with rising income disparities among regions and groups resulting in economic disenfranchisement, increased public dissatisfaction, and instability.

These regions must be transformed in order for good governance and economic growth to emerge, gaps between the rich and poor to be bridged, and economic opportunities for citizens to be realized. New investment opportunities, jobs, and increased incomes must reach all citizens so that they and their communities can emerge to compete.

Based on RTI International's 50-year experience as a central player in the Research Triangle Park (RTP) success story and RTI's decades-long international consulting experience, we have learned to approach economic growth locally—where entrepreneurs and investors develop ideas, business plans, and companies. In these emerging economic growth centers, stakeholders must come together to create innovation strategies,

streamline regulations, and organize private-public partnerships (PPPs). Those partnerships must build vital physical infrastructure and formulate business development strategies to support private investment. They must also engage local and regional universities, workforce development institutions, and the traditional education system in the creation of specialized skills-training programs and other knowledge-economy programs, such as the establishment of technology parks.

RTI's **Emergence to Compete (EtoC)** initiative forges regionally focused networks of national and subnational economic development actors, including leading private and public institutions involved in regional development, investment, and trade.



Working with these actors, RTI's approach enables them to

- Develop purposeful strategies for growth based on a shared vision and understanding of a region's comparative advantage
- Support key sectors and industry clusters that will create jobs and raise standards of living for all citizens
- Foster effective engagement between business leaders, government actors, and other partners
- Link strategy to practical action plans supported by development financing and micro-, small-, and medium-enterprise (MSME) capacity building
- Create systems and partnerships that build businesses and support job creation

The **EtoC** methodology supports practical strategies and new institutional capacity to realize regional development opportunities, increase growth, and enhance citizen livelihoods. RTI's approach is synchronized with the planning cycles of cooperating countries to link action planning to development budgeting for impact and sustainability, maximize skills transfer through a learning-by-doing approach, and allow for the identification of new trade and investment opportunities.

A key feature of the **EtoC** methodology is a concerted focus on the Building Blocks of Economic Growth. Brief descriptions of these Building Blocks and how they have been addressed within RTI projects follow:



Sectors and Clusters

Identifying promising sectors, clusters, and firms to build cooperation, linkages, and momentum.

In projects in the United States, Jordan, and Iraq, RTI and the Research Triangle Regional Partnership have designed and developed "cluster leadership networks" to increase collaboration among the government, private sector, and community members. RTI has developed specific near-term action items for local businesses and economic developers in RTP to identify value chains and energize growth around eight key clusters.

Business Climate and Policy

Clarifying and streamlining legal, regulatory, and support frameworks to facilitate growth.

In El Salvador, the Municipal Competitiveness Project managed by RTI is creating a business climate assessment tool to survey and compare the capacity of municipalities to establish business support environments that encourage private sector growth. In Cambodia, RTI assisted the Small and Medium Enterprise (SME) National Subcommittee and Secretariat to establish a regulatory environment conducive to SME development. RTI worked with the government to identify inefficiencies in the business environment and streamline regulatory and licensing requirements, build consensus for the reforms, and evaluate current achievements.



Institutions and Networks

Mobilizing and linking public and private sector individuals, organizations, and associations.

RTI is linking companies in Jordan and the United States to promote sustainable trade and investment relationships and increase foreign direct investment into Jordan. The program enhances the competitiveness of Jordanian producers, encouraging investment and technology transfer into the country, and creates new job opportunities in key growth sectors. In South Carolina, USA, RTI is conducting an assessment of economic development needs and opportunities for a 15-county region. A central outcome of this assessment will be a development strategy that mobilizes public and private sector leaders to support development strategies.

Education and Human Capital

Building effective education and training systems to increase productivity and standards of living.

In the Republic of Georgia, RTI helped the State Accreditation Service to develop standards, monitoring, and certification of education quality for vocational education institutions, universities, and schools to improve training and education opportunities tied to economic opportunities. In Oklahoma, USA, RTI is working to identify the workforce development systems required for effective economic development activities such as industry recruitment, business retention, and new business creation through entrepreneurship strategies.



Physical Infrastructure

Ensuring existence of adequate facilities and planning to support businesses and communities.

In Bulgaria, Hungary, Poland, Slovakia, and Ukraine, RTI worked with local governments and infrastructure enterprises to prepare capital investment plans and develop financing packages for system upgrades and expansions in the sectors of water supply, sewerage, transportation, solid waste collection, and heating utilities.

Building Businesses

Building entrepreneur, investor, and worker friendly environments to grow and attract businesses.

In Iraq, RTI supported employment services, business development, and vocational training centers that resulted in increased private sector participation and the generation of 12,000 jobs. A Local Economic Development Council was formed with local leaders, who identified current priorities and envisioned the future of the communities through participatory visioning and strategic planning. In Indonesia, RTI facilitated the formation of Local Economic Development Partnerships, Business Development Service Centers, and Micro-finance Services at the provincial and municipal levels, and convened a national workshop to discuss the results in order to assist local governments with their new responsibilities to promote SMEs.



Capital and Investment Finance

Creating financial institutions and systems to finance business creation, support economic development.

In South Africa, RTI and the Municipal Infrastructure Investment Unit, a semi-independent business unit of the South African government, assisted cities to find innovative solutions to critical problems with the financing and management of essential urban services. RTI helped guide the preparation and negotiation of concession contracts and other forms of PPPs at the municipal level across South Africa in one of USAID's most successful initiatives that generated partnerships worth over US\$600 million.

Technology and Innovation

Supporting creation of innovative businesses and special zones that promote the use and creation of new technology for high-value economic growth.

In the United Arab Emirates, RTI worked with the Government of the Emirate of Dubai in the development of scientific, legal, and regulatory standards for DuBiotech, the Middle East's first biotechnology park. In Jordan, RTI is assisting the government to introduce regulatory best practices in areas significant to the biosciences industry—health, investment, higher education and scientific research, and workforce and labor. In the West Bank, RTI prepared an economic growth strategy for Rawabi, the first Palestinian-planned community.



Focusing attention on these Building Blocks is essential to identifying and unlocking local opportunity, eliminating underdevelopment, and creating economic growth that is broadly distributed geographically and socially.

To support **EtoC** program implementation, RTI has assembled the **Emerge to Compete Network**—a group of skilled organizations and individuals who have been and continue to be key players in the RTP growth experience.

RTI offers innovative research and technical solutions to governments and businesses worldwide in economic and social development, health and pharmaceuticals, education and training, surveys and statistics, democratic governance, advanced technology, energy, and the environment.

The Research Triangle Regional Partnership is a PPP dedicated to keeping the 13-county Research Triangle Region economically competitive through business, government, and educational collaboration.

The Research Triangle Foundation of North Carolina oversees the physical infrastructure and develops the strategic vision required to ensure that the RTP remains a vibrant engine of economic growth.

The First Flight Venture Center (FFVC) is a business incubator located in the heart of Research Triangle Park. FFVC produces companies that graduate as financially viable and freestanding businesses that create jobs and contribute to a stronger North Carolina economy.

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