



Community and Economic Development in North Carolina and Beyond Blog: Does Your Community Have the Capacity to Undertake Community Economic Development?

By Maureen Berner

Article: <https://ced.sog.unc.edu/does-your-community-have-the-capacity-to-undertake-community-economic-development/>

This entry was posted on July 15, 2013 and is filed under Community Development, Economic Development, Financial Assets, Human & Cultural Assets, Regional & Collaborative Approaches, Sustainable Development

Say you have learned of a community economic development (CED) program that seems to be a perfect fit for your area. The need is already there and well documented, the program provides the right mix of projects, and all the program financial resources are available and already approved. All that is needed is the local government to 'do it' – that is, officially apply, implement, administer, and report on the program at the community level. Seems like a slam-dunk, right? Now imagine what your reaction would be if the city or county manager turned it down?

It might be that the local government simply can't take on any more, no matter how wonderful an opportunity the proposal seems to be. This scenario is the basis for a new conversation in local government policy arenas – the issue of local capacity.

Capacity can be defined in a wide variety of ways. One option is to consider it along four levels:

- physical infrastructure (bricks and mortar, space, location)
- equipment (the mobile tools needed to implement the program – cars or trucks, storage containers, tables, machines, computers, desks, supplies, etc.)
- personnel (number, type, hours, skills, expertise)
- administration (ability to manage the program through management personnel, financial, HR, oversight and accountability systems)

This is just an example, but the point is clear – the idea of capacity attempts to go beyond program specific activities to look at the entire organization's ability to take on something new. Without sufficient capacity, even very attractive programs could be rejected or, if accepted, fail to live up to expectations.

The idea that local capacity could be an important factor in adopting new CED programs is not exactly new. In 1981, J.J. Gargen wrote an article for *Public Administration Review* titled "Consideration of Local Government Capacity." In it, he stated one threat to local government capacity was the increasingly complex relationships developing both vertically and laterally through intergovernmental relationships, the type of relationships that are key to successful community development efforts. But he reassures his readers by going on to state that only infrequently is a local government's capacity ever truly tested.

That was over 30 years ago. Is this still the case? Or is local government capacity finally being truly tested on a large scale? A recent School of Government evaluation of a pilot summer meal program for needy children in eleven different school districts across North Carolina concluded the pilot was a success, but also raised concerns because some participants felt the capacity of the individuals and organizations involved seemed stretched. The success of the program overall did not seem to rest on interests of stakeholders, basic program funding or measures of impact, but on capacity of local administrators to take more on.

Another related example — a local farmer's efforts to bring more product to institutions in communities, such as schools, rests in part on whether the school kitchen can accommodate the produce. Does it have a cooler? Does the kitchen rely on warming ovens? Are there enough staff available at the right hours to prepare local produce? If so, do they have the appropriate training? Can the central office (or whomever is appropriate) handle the billing?

This is a very specific example, but the lesson can be applied much more broadly. Local government capacity is an



important factor that would be wise to consider when designing or seeking CED programs. In recognition of the import of local capacity, the School of Government established the Development Finance Initiative, which seeks to supplement local government capacity for important CED projects.

In conclusion, take a close look at the capacity of the local government and its partners prior to taking on a new CED program, even when that program is well supported with funding attached. Without a basic understanding of local capacity, CED professionals and local government managers could be biting off more than they can chew.

Maureen Berner is School of Government faculty member.