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Nebraska's Preferred Future

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Nebraska's Preferred Future

February 2001

Preparation: Contributors listed on page 6

Discussion Document:

Purpose: This initiative and document are intended to "seed" discussion by a wide range of groups and individuals at policy making levels of state, county and communities that can influence decisions that affect directions for Nebraska's future.

Content:

Nebraska's Megatrends — suggested discussion questions

Summary of Nebraska Preferred Future Characteristics — including cherished values

Nebraska Preferred Future and New Seeds for Nebraska — relationships

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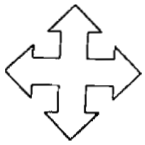


Nebraska's Preferred Future

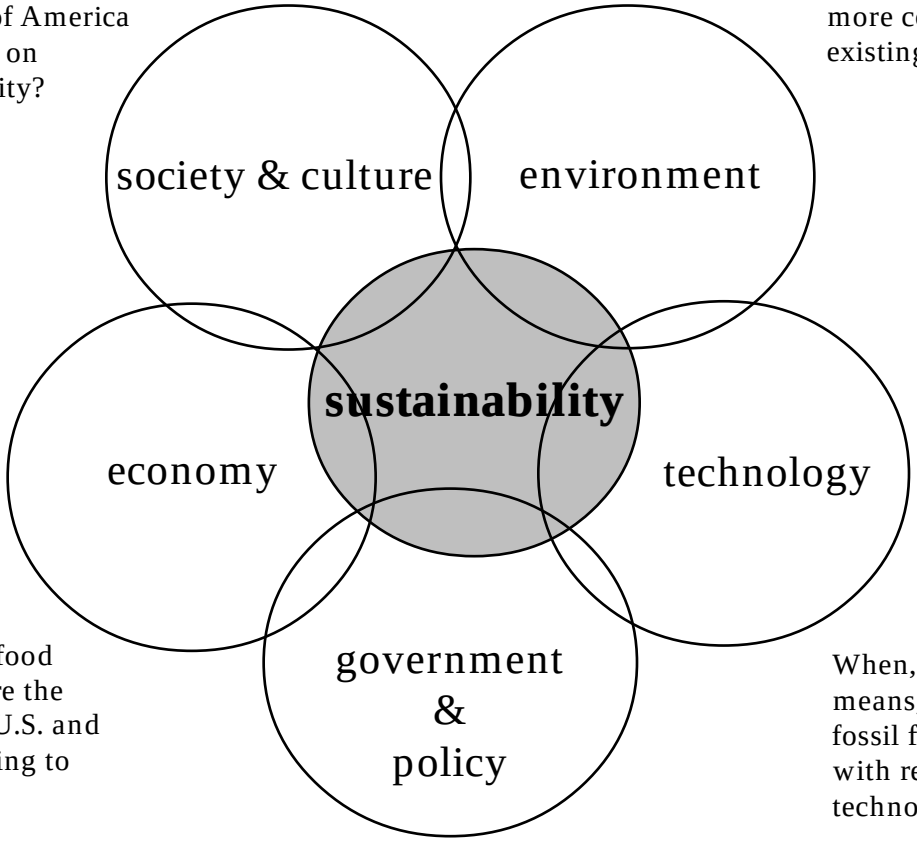
It is timely and important that we Nebraskans begin more holistic thinking about the connections and interdependencies of the issues which affect the future of our communities.

What strategy does your community have to "preserve" your cultural, ethnic heritage?

Does your community have a strategy to address the urbanization of America and its impact on your community?

Should Nebraska be concerned about global environmental issues?

Would a preventive approach to environmental and social problems be more cost effective than existing programs?



What level of food importation are the people of the U.S. and Nebraska willing to tolerate?

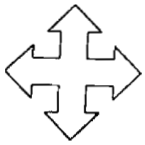
If Nebraska loses comparative advantage with ag products, what effect will that have on our tax base and land values?

What can be done to slow down the migration of young and educated workers from rural Nebraska to more urban Nebraska?

What can the goverment do to ensure that all Nebraskans have access to the new technologies?

When, and by what means, will we substitute fossil fuel technologies with renewable energy technologies?

What systems of priorities will cause technologies to be developed for other than economic gain?



Nebraska's Preferred Future (NPF)
Executive Summary
February 2000

Preamble

The purpose of this initiative is to "seed" discussion by a wide range of groups and individuals at policy making levels of communities, county and state that can influence decisions that affect directions for Nebraska's future. The "roots" of this initiative grew out of a 1989 initiative entitled "New Seeds for Nebraska." The Nebraska Ag Relations Council applied and received a grant from Nebraska Network 21 (Kellogg Foundations grant to University of Nebraska Lincoln) to facilitate and conduct a process and organize a set of cherished values and characteristics for Nebraska's future — peoples, places and industries. (NPF Forum March 1999). Subsequently a set of Megatrends for Nebraska was assembled from a broad group of individual contributors around five domains — economy, society and culture, environment, technology and government and policy. This was used to create a discussion document with leading questions to encourage Nebraska organizations, government entities and educational institutions and individuals to look at and seek to develop the preferred future for Nebraska. This is not an advocacy document, but it encourages groups and individuals to look beyond the next year or two but consider the needed actions for Nebraska's future by 2006-2011 in a broader and interrelated way.

Nebraska Megatrends

A group of contributors assembled a set of megatrends based upon facts, observations and opinions under five domains. Because of the diversity of the contributors some contradictions are found in these trends. This summary highlights the key discussion questions under each domain of the major megatrends.

Social and Cultural Megatrends key questions

Should Nebraska have a "population/immigration policy?" If so, why and what should it be?

Which public services in Nebraska should be considered essential and provided to all residents regardless of income and location, even if subsidies would be required?

Does consolidation lead to improved outcomes? Are there new and creative strategies that Nebraska needs to consider for the efficient, effective and equitable provision of essential services?

What strategy does your community have to care for your elderly as well as the nurturing of your youth?

Environmental Megatrends key questions

Should Nebraskans be concerned about global environmental issues?

What can we do to improve the environment and still allow for economic progress?

How can we reduce our dependence on non-renewable energy and what will it take to make the transition to clean, renewable energy sources?

What effects will the Platte River agreements have on Nebraska and its communities?

Technology Megatrends key questions

How can the benefits of appropriate technologies be equitably distributed?

How do we evaluate the potential consequences of new health and biological technologies (i.e., environment, economics, socio-cultural impacts, and public policies)? Should there be limits on the uses of available technologies?

When is — and how do we know — the right time to replace one technology with another?

When, and by what means, will we substitute renewable energy technologies for fossil fuel technologies?

How can research for increased productivity be balanced against declining profitability?

Economic Megatrends key questions

If state government is increasingly decentralized away from Lincoln, will that decentralization increase the overall efficiency of state government and by how much?

Should post-secondary tuition assistance be provided to students agreeing to take employment in Nebraska after graduation? Should such incentives be greater for these taking employment in Nebraska's lagging nonmetropolitan areas than in areas of growth?

Should business tax incentives directed at encouraging more employment and investment in the state be aimed more to rural areas than the urban areas of the state?

Should there be big increases in a public job training fund targeted at filling high-paying occupations in high demand?

Government and Policy Megatrends key questions

What are some of the advantages and disadvantages of a Unicameral Legislature and how does it benefit Nebraska?

What is or could be the role of the non-profit sector of Nebraska in this millennium?

What issues affect both rural and urban areas and how are they interrelated? What policies and programs would benefit both?

Nebraska's Cherished Values and Preferred Future Characteristics

Cherished Values

Preserve the quality of life ("the way we live here")

This includes:

commitment to education
lifelong learning
maintaining current business
caring places
family values
civic responsibility
enriched by people who choose to live here—inclusiveness

Profit for individuals, business and industry

This includes:
collaboration / cooperation between communities
resources and services
technology links

Reciprocality

This includes:
give back as well as get — engage people in leadership
why do we need each other

Sustainability

Stewardship of resources

Small groups of committed people can make a difference

Preferred Future Characteristics

The Nebraska Preferred Future Forum was structured around small group discussion and drawing together a set of characteristics under three themes — Keeping Nebraska's People Competitive, Keeping Nebraska's Places Competitive and Keeping Nebraska's Industries Competitive. These characteristics are as follows:

Theme 1: Keeping Nebraska's People Competitive

The preferred future should include:

Create an educational system that meets today's and tomorrow's needs.

Create linkages to understand (two-way) the needs and values of urban and rural citizens.

Create a positive understanding and respect of ethnic differences.

Reinvigorated representative government.

Theme 2: Keeping Nebraska's Places Competitive

The preferred future should include:

Build communities that are caring, sharing and energized for social and economic well-being.

Build economic development around community and regional assets through cooperation and collaboration.

Develop a comprehensive plan for sustaining the community's infrastructure.

Build strong community and local churches cooperation.

Build a strong community and regional commitment for a sustainable stewardship of our natural resources.

Theme 3: Keeping Nebraska's Industries Competitive

The preferred future should include:

Be fully committed to support a formal education program (K-16) and continuing education program attuned to state, national and global careers and knowledge needs.

Build on the uniqueness of people who live and work in Nebraska.

Build and maintain a statewide communication and information system network equally accessible across the state.

Build a statewide business incentive program that nurtures small rural as well as small urban businesses, along with assisting medium and large business.

Build community and corporate business relationships for mutual sustainability.

The full text of the Nebraska Preferred Future Discussion Document may be obtained as follows:

Nebraska Ag Relations Council
104 Ag Communications Building
University of Nebraska
P.O. Box 830918
Lincoln, Nebraska 68583-0918

Center for Applied Rural Innovation
http://www.ianr.unl.edu/rural/

Nebraska Development Network
http://www.nol.org/home/NDN/

EcoSpheres
http://www.unl.edu/ecospheres

Nebraska Preferred Future
Nebraska Megatrends

Preamble

Nebraska is fortunate in that its borders encompass two of the world's most valuable natural resources: fertile agricultural land and a relative abundance of potable groundwater, primarily from the world's second largest natural system, the Ogallala aquifer. As the population of the world continues to rise, these resources — in Nebraska and throughout the world — will be stretched significantly to accommodate an increasing demand. While this situation of shrinking resources in an environment of growing demand seems inevitable, people are complacent today, rather than preparing for tomorrow. As suburbs continue to spread, fertile agricultural land is being developed, resulting in a diminished capacity for farming. The quality of potable ground and surface water continues to be a major concern in parts of the state, due to a variety of complex contaminants. For these and other disconnects between human systems and natural systems, it is timely and important that Nebraskans begin more holistic thinking about the connections and interrelationships between land, water, populations, cultures, technologies and the environment.

Nebraska's Preferred Future (NPF) began as a Nebraska Network 21 initiative. The goals of this initiative are: 1) to have Nebraska's 1.7 million citizens determine the direction of the state's future for social, environmental and economic well-being; 2) to make Nebraskans more aware of the interdependence between the environment, technology, economics, government and public policy and social-cultural issues; 3) to disseminate this information to a variety of audiences, ranging from concerned citizens to local and state governments; and 4) to facilitate action and discussion, so all Nebraskans can take an active role in shaping their future.

The Nebraska's Preferred Future group is a collaborative group of individuals representing a breadth of organizations. This committee is working to achieve the NPF's goals through a three-stage process. The first stage began in 1999 with a discussion group which included more than 130 Nebraskans representing 57 groups and organizations throughout the state. This opportunity for dialogue was influenced by an extensive 1989 study by the Stanford Research Institute entitled "New Seeds for Nebraska." The outcome of the first stage was a set of cherished values and preferred future characteristics for keeping Nebraska's people, places and industries competitive in the 21st century.

The second stage included identifying major global and Nebraska-specific megatrends clustered under five major domains — the Environment, Technology, Economics, Government and Public Policy and Social-Cultural Issues. These trends were formed on the basis of facts as well as the thoughts, ideas and opinions of a broadly represented group of contributors. Comparison of these trends with the cherished values and preferred future characteristics will help identify possible discrepancies with Nebraskans' preferred future. It

also will serve as the groundwork for motivating members of the public to develop policies aimed at achieving their preferred future.

The third stage begins with this document, hoping to "seed" discussion and debate and to prompt action and participation by Nebraskans across the state. This discussion document includes the suggested megatrends, the summary of the Preferred Future cherished values and characteristics identified in 1999 and a summary of the relationship of the Nebraska Preferred Future initiative with the "New Seeds for Nebraska."

These megatrends are fact-based but also represent the observations of the contributors.[1] They should be used to begin discussion about plans for action that groups and individuals find most relevant to their organizational and individual objectives as they try to determine the direction Nebraska should move in the future. **It should be acknowledged that this compilation contains conflicting statements and issues because the observations and ideas of the contributors varied.**

[1]*Steve Cady and Ted Hartung, Nebraska Ag Relations Council; Dennis Berens, Nebraska Development Network; Charles Lamphear, UNL Bureau of Business Research; Tom Doering, Nebraska Department of Economic Development; Sam Cordes and John Allen, Center for Applied Rural Innovation; Duane Eversoll, UNL Conservation and Survey Division; Catherine McGuire, Cecil Steward and Amber Lisec, Joslyn Castle Institute.*

The following section provides a set of megatrend statements and questions for discussion pertaining to the five major domains — Social and Cultural, Environmental, Technology, Economic and Government Policy.

Social and Cultural Megatrends

Globally, fertility rates have been declining. A stable global population in the not-so-distant future is good news to those concerned about overpopulation and its impact on a sustainable environment. However, population numbers may tell only part of the story. Per capita level of consumption of goods and services also must be considered. In this regard, the more developed and affluent countries, such as the United States, have a profound impact in the world, even if the total population remains constant.

Global and U.S. megatrends

- In some parts of the world, populations are expected to decrease, although the reasons for these decreases are quite dissimilar. For example, a significant population decrease is projected for a number of Western European countries due to fertility rates falling well below the population replacement rate. In contrast, many African nations are projecting sharp decreases in their populations due to the ravaging effects of AIDS on death rates and life expectancy.
- Globally, life expectancy continues to increase, again with the notable exception of those countries hit hardest by AIDS.

- Worldwide, urbanization of the population is ongoing, including continued growth in "megacities" such as Mexico City and Calcutta.
- The United States' immigration policy, which is less restrictive than that of many Western European nations, suggests a continued increase in the U.S. population.

Nebraska trends

- The population in rural areas is aging, with younger people migrating to urban a areas and other states.
- Population concentration within rural Nebraska is around regional trade centers.
- Legislative power / representation has shifted toward Omaha and Lincoln.
- Urban sprawl is growing around the Omaha and Lincoln metropolitan areas.
- Baby Boomers are having an increasing influence on Nebraska's social and cultural concerns.
- A larger intergenerational turnover of wealth is predicted — and capital transfer from individual ownership to corporate and investor ownership.
- Generally, the level of formal education of Nebraskans has been rising.
- Household size may shrink.
- The "inner cities" may experience population loss caused by migration to suburbia.
- Growth in political moderation and centrism, with less tolerance / acceptance of extremism, may occur — the trend has been polarization.
- Acceptance of people who are "different" has been growing.
- The desire and need to be inclusive may increase.
- It is likely that there will be growth in the "preservation ethic," including the desire to maintain both cultural and ethnic heritages.
- The "small is beautiful" philosophy will increase in certain areas of life, e.g., neighborhood schools.
- Emphasis on family and family values will continue.
- There will be continued growth of the spirituality movement, which includes but also transcends other forces such as the sense of community, the family, and the relationship and interaction between people and the natural environment.
- The work ethic and the overall view of farm program payments and certain transfer payments (e.g., Food Stamps and Medicaid) is changing.
- Social capital and civic engagement, especially as related to non-local issues and needs, may change.

Social and cultural domain questions

1. Should Nebraska have a "population / immigration policy"? If so, why and what should it be?
2. Which public services in Nebraska should be considered essential and provided to all residents regardless of income and location, even if subsidies would be required?
3. Does consolidation lead to improved outcomes? Are there new and creative strategies that Nebraska needs to consider for the efficient, effective and equitable provision of essential services?
4. What strategy does your community have to care for your elderly as well as the nurturing of your youth?

Interrelated questions

1. What are the advantages and disadvantages of population concentration / decentralization? How serious is "urban sprawl" in and around our urban centers?
2. What is the interdependency between telecommunications technology and (a) job / population decentralization and (b) delivery of public services?
3. Many argue that today's economic forces will inevitably lead to greater concentrations of population, business activity and wealth. Do our current public policies knowingly or unknowingly support this presumed outcome particularly as applied to Nebraska?
4. How serious is the perceived chasm between (a) eastern and western Nebraska and (b) rural and urban Nebraska? If it is serious, what can be done to narrow the chasm?

Policy questions

1. How will Nebraska communities provide and pay for the culturally competent services (educational, health, social) that will be needed when newcomers move into these communities?
2. What can the state do to help ensure that newcomers to Nebraska will have the same community and social supports in their new communities that existing residents have?
3. As Nebraska's population ages and aging Nebraskans require more of the available health care resources, how can we equitably meet the new demands without shortchanging traditional needs?
4. In a jurisdiction where there are heartfelt disagreements about the propriety and the manner of the state getting involved in the sexually-related issues facing teenagers, how can we best keep our youth safe and informed about issues such as pregnancy, AIDS, etc.?

Environmental Megatrends

General discussion of environmental policy is advancing from a conflict of interest between environmental protection and economic development to a strategy of integrating environment and development goals. Within the agricultural sector, a strong conflict seems to continue to exist. Although increasing emphasis is being placed on integrated policies that prevent environmental degradation and make economic sense, resources are being used faster than they are generated, and waste is being created faster than it can be assimilated.

It doesn't have to be this way. Some businesses are setting a goal of zero waste through recycling, take-back policies and co-location of manufacturing facilities in "eco-industrial parks." Technology and knowledge are available to halt further environmental degradation, to restore habitats and even to reconstruct them.

Global and U.S. megatrends

- Soil degradation is a threat to food production and livelihoods; soil contamination and acidification, particularly in urban areas, is a threat to human health and natural habitats.
- Forests and biodiversity are being lost, particularly to conversion to monocultural agricultural use and urban sprawl.
- Waterborne diseases and chronic water shortages are concerns. Lack of water will be a major impediment to future development in several regions.
- Coastal and marine habitats are at high risk of degradation, particularly from land-based sources of pollution and infrastructure development. Fisheries are declining.
- Food and water safety is a growing concern. Labeling is being required for genetically modified substances for foods.
- All of the world's major cities suffer urban air quality problems. Large regions are at risk from the effects of both climate change and acidification. Damage to the ozone continues faster than expected.
- Dependence on non-renewable resources is contributing to the accumulation of toxic substances in the environment and global warming. The rapidly rising demand for energy to fuel economic development will aggravate these problems. It is expected that in the near future, fossil fuels — coal, oil and natural gas — will continue to be the primary energy sources with a heavy influence of foreign energy sources.
- Overconsumption of resources and the generation of waste is as much a concern as population growth.
- The quarries, mines and pits of industrial minerals (sand, gravel, limestone, clay, etc.) are in danger of being zoned out of their potential reserves as urbanization spreads. Many states already face shortages of these minerals.

Nebraska trends

- Because most of the state's land is used for agricultural production, soil degradation is a serious issue. There is concern that some agricultural practices cause environmental degradation. This concern is primarily focused on large concentrated livestock operations even though there is some environmental risks for small operations. Progress is being made to reduce these risks but continued study is needed.
- Groundwater and surface water contamination caused by fertilizer nitrates and herbicides is prevalent. Other sources of contaminants include storage tanks, septic systems, hazardous waste sites, landfills and the widespread use of road salts and chemicals.
- The agricultural sector is moving forward in adopting best management practices that reduce soil erosion and groundwater and surface water contamination. Livestock waste and nitrogen fertilization and chemical application are being better managed.
- Drought stresses dryland crops and livestock. Crop producers depend on irrigation systems and non-renewable energy.
- Nebraskans are largely dependent on other states for their food supply, while food produced in Nebraska goes to other regions. Transporting food over long distances increases dependence on non-renewable resources.
- Food safety and source is a continuing concern. Labeling is required on radiated and genetically modified substances. Labels such as hormone free, antibiotic free, certified organic, free range and "does not contain genetically engineered substances" are being used more. Labeling that includes the food's source is becoming more influential in consumer choice.
- Unlike many states that have shortages of industrial minerals, Nebraska has abundant resources but needs to develop policies or programs for the protection and development of the industrial mineral industry.
- While deforestation is not an issue in Nebraska, grassland systems are declining, species are not interacting and grassland birds are declining due to the loss of nesting habitats. Western Nebraska, notably the Sandhills grasslands, are more intact than the eastern part of the state.
- Generally, urban areas lack a connection to nature. This also may be true in agricultural areas where natural habitats have been significantly altered, due in part to monoculture agriculture.
- Urban sprawl is a growing problem in Omaha, Lincoln and other cities where increased areas of development far exceed the increase in population. In Omaha, for example, the urban area doubled in size between 1960 and 1990, while the population only increased by 11 percent.
- Conflict over land use is caused by a clash between industry and personal uses as well as economic versus social and environmental interests. Water ownership disputes are occurring between states and communities. Disposal of hazardous waste is contested.
- Recycling is limited. Only 25 percent of U.S. waste is recycled, although only 25 percent of the total waste is non-recyclable, leaving a gap of 50 percent. Construction waste which could be reused or recycled accounts for approximately 25 percent of landfill space.

- Current efforts in Omaha to deal with household hazardous waste are promising.
- Nebraskans are dependent on non-renewable resources for heating, cooling and lighting in buildings, for industry and for transportation.
- Primary energy sources in Nebraska are coal- and nuclear-powered plants, which either emit harmful substances into the atmosphere or create toxic waste for which no acceptable procedures have been developed. The potential for wind power is virtually untapped. The use of geothermal systems is growing.
- In general, Nebraskans are driving bigger cars in urban areas and are traveling longer distances in rural areas. Dependence on automobiles is a problem in both rural and urban areas.
- It is uncertain how global warming will affect Nebraska.

Environmental domain questions

1. Should Nebraskans be concerned about global environmental issues?
2. What can we do to improve the environment and still allow economic progress?
3. How can we reduce our dependence on non-renewable energy and what will it take to make the transition to clean, renewable energy sources?
4. What effects will the Platte River agreement have on Nebraska and its cities?

Interrelated questions

1. What are some example of integrating environment and development concerns that we can implement here?
2. Would a preventive approach to social and environmental problems be more cost-effective than existing programs?
3. Should Nebraska have a strategy for sustainable development?
4. What indicators of sustainability do we currently have? What other conditions should be monitored?

Policy questions

1. What can the state do to ensure that natural resources are adequately preserved when there are nonrenewable resources that are needed as part of the economic sustainability of many Nebraskans?
2. How can the state and local governments balance the interests of those who wish to expand residential and commercial areas to previously unused or agricultural areas with the interests of those who wish to prevent community sprawl?
3. What can government do to reduce or control farmers' and homeowners' use of fertilizers and herbicides, etc., which contain chemicals that contaminate soils and water?
4. Will the state's environment be better protected by deregulating electric utilities or continuing to regulate them?

Technology Megatrends

A fervent and almost fanatical quest for the creation of new technologies has existed since mankind's arrival on the planet. Men and women of all cultures have continuously worked at inventions that would minimize human labor and inconveniences for the sake of more efficiency and leisure. Currently, cultures and nations that lead the world in technological developments are in a state of transition between the eras of industrial development and the automation of electronic / digital systems.

Industrial technologies have resulted in several key lessons: These technologies have been enormously successful in increased production and the conservation of human labor, giving encouragement and opportunities to many other global cultures; the creation and manufacture of many of these technologies has been enormously consumptive and dependent on non-renewable natural resources; and many technologies created from straight-line, independent thinking for single purposes have resulted in unintended detrimental consequences.

Global and U.S. megatrends

- Current global access to technologies is uneven, especially in rural areas, Native American reservations and developing nations.
- Some gene-altered crops provide pesticide and herbicide resistance. They also can provide foods with additional dietary supplements (e.g., golden rice). Dairy and beef cattle, swine and poultry are also expected to be subjected to genetic alteration through this technology.
- The role of animal and human cloning remains a significant question as the technology develops.
- There is dependence on fossil fuels. Transportation alternatives such as the hybrid automobiles may decrease that dependence. Solar, wind, geothermal, biomass, "gray" water systems and hydrogen fuel cells also should be considered.
- Development of commuter light rails could decrease the need for fossil fuels.
- Air traffic control has an old and outdated infrastructure that is potentially catastrophic.
- Alternative / green building materials are being developed. The first fully recyclable carpet has been developed in which "peel and stick" backing replaces wet adhesives and eliminates the noxious off-gassing fumes from the adhesives.
- Innovations in health systems will be critical.
- One of the trends in natural systems (i.e., emulators) is purification of water naturally via plants and microorganisms.
- Global Information Systems (GIS) and Global Positioning will play significant roles in general, and particularly for agriculture and environmental concerns.

Nebraska trends

- Initially, the Strategic Air Command brought technology interests to the area.
- Corporate technology businesses are emerging in Omaha.
- Some towns, such as Wilber in eastern Nebraska, now have an adequate infrastructure to provide high-speed internet access. Other smaller communities, especially in western Nebraska, are still struggling with this challenge.
- In agriculture, UNL researchers are focusing on Bt corn as well as numerous other projects related to food safety.
- Biotechnology and pharmaceutical industries have a presence in the state.
- Proper balance of bacteria improves the health/condition of waste lagoons.
- Antibiotics and hormones given to dairy and beef cattle, swine and poultry pose health and environmental concerns.
- Electric utilities are utilizing wind energy — plains' conditions are favorable for this.
- Ethanol is a good alternate energy source.
- Irrigation alternatives include drip, surge flow and sprinkler.
- Corn/soybean rotation increases nitrate levels in the soil, decreasing the amount of fertilizer needed.
- An Omaha bank operates its data center with hydrogen fuel cells.
- An Omaha/Lincoln urban railway is being considered. Lincoln's multiple, well-maintained bicycle trails encourage alternate modes of transportation for work and leisure.
- Three of the top 10 architecture and engineering firms in the nation are based in Omaha. The ranking is based on volume of buildings.
- Health systems include advanced healthcare and transplant systems. In contrast, delivery of medical services to rural areas is a concern.
- UNL has increased its focus on modeling of water systems and engineered wetlands.

Technology domain questions

1. How can the benefits of appropriate technologies be equitably distributed?
2. How do we evaluate the potential consequences of new health and biological technologies (i.e., environment, economics, socio-cultural impacts, and public policies)? Should there be limits on the uses of available technologies?
3. When is — and how do we know — the right time to replace one technology with another?
4. When, and by what means, will we substitute renewable energy technologies for fossil fuel technologies?
5. How can research for increased productivity be balanced with the cost of profitability?

Interrelated questions

1. How can decision processes for human systems and accommodations for human habitat be more respectful of natural systems?
2. What measures of value can be applied to rural systems other than economic measures?
3. Is a system of public policies possible that would recognize the interdependencies of the five domains of sustainability?
4. What system of priorities will cause technologies to be developed for other than economic gain (for example, energy alternatives, efficiencies, etc.)?

Policy questions

1. What can the government do to ensure that all Nebraskans have access to the new technologies?
2. What can be done to change the current situation in which Nebraskans in urban areas can access the Internet quickly and at a reasonable cost, while some of those in rural areas don't have access at any cost? Who will pay for infrastructure development?
3. How should the state handle the dilemma of national pressures to not tax

e-commerce versus the state's need for commercial tax revenues that it otherwise would be entitled to for traditional commercial transactions?

4. New technologies typically get their development in more urban areas. What can Nebraska do to more effectively and fully participate in the economic benefits of new technologies?

Economic Megatrends

In today's world, more people than ever work with their brains, rather than their hands, producing intangible capital in areas such as software design, biotechnology, financial services and law. Intangible capital is at least as important as tangible capital and a greater share of tangible production is based on intangible inputs. This new economic development has made it possible for intangible-producing businesses to locate virtually anywhere. Intangible capital concentrate will compete with traditional capital allocation.

Global and U.S. megatrends

- The global development of supply chains for the production and distribution of goods and services is resulting in a fundamental change in industry structure. The concentration of the wholesale and distribution marketplace, consumer empowerment, free world trade and deregulation has led to the creation of supply chains that not only determine how industries do business but also who does the business but this is also causing instability in the supply chains. More business consolidation and concentration are results however instability can result in higher business and economic risks. Unskilled workers are a growing economic risk.

- Globalization has diminished the economic importance of political boundaries and greatly broadened markets. The fall of protectionist barriers has stimulated free movement of capital and paved the way for companies to set up several bases around the world. Comparative disadvantage is a growing concern.
- Supporters of globalization say it has promoted information exchange, led to a greater understanding of other cultures and allowed democracy to triumph over autocracy. Critics argue that not everyone has been a winner. The freedoms granted by globalization are leading to insecurity in the workplace. Manual workers in the more developed countries feel threatened as companies shift their production lines overseas to low-wage economies. They are concerned that huge trans-national companies are putting shareholder interests above those of existing employees and their communities.

Nebraska trends

- Agricultural concentration has continued to increase. Supply chains are redefining the economic landscape of rural Nebraska, leading to greater concentration of agriculture and agriculture-related industries. This concentration is receiving more attention by the Federal Government.
- Fewer rural communities benefit with fewer farmers and increasing agricultural concentration. To survive and prosper, many more rural communities will need growth in non-agricultural industries and greater economic diversity unless agriculture policy shifts in support of profitability encouraging more producers.
- Nebraska's overall economy prospered in the 1990s when the state's nonagricultural employment rose more than 20 percent, with gains in virtually every major sector.
- Increased participation by women in the labor force, plus net population in-migration in some years, helped boost employment.
- With a relatively low unemployment rate, high labor force participation rate and high employment-population ratio, Nebraska's future economic growth probably will depend more on increasing worker productivity than on increasing employment.
- Seemingly, successful businesses in the state will need to increasingly adopt and apply technological innovations and enhance worker training. Much greater capital investment per worker and higher wages should be expected.
- There has been metropolitan and large community economic concentration.
- Nebraska's economy is more service-dependent than ever before, where — consistent with global trends — intangible capital growth is exceeding tangible production, labor is highly mobile, and economies of scale and concentration are emphasized more. Such an economy favors population growth in metropolitan areas and large communities over rural areas.
- About half of the state's population now lives in the five counties that make up the Omaha and Lincoln metropolitan areas. In addition, much of the growth in the nonmetropolitan areas has been concentrated in and around cities with populations greater than 10,000.

- With significant average wage disparities existing between Nebraska's metropolitan and nonmetropolitan areas, population and economic concentration in the metropolitan areas and large communities will almost certainly intensify.

Economic domain questions

1. If state government is increasingly decentralized away from Lincoln, will that decentralization increase or decrease the overall efficiency of state government and by how much?
2. Should post-secondary tuition assistance be provided to students agreeing to take employment in Nebraska after graduation? Should such incentives be greater for those taking employment in Nebraska's lagging nonmetropolitan areas than in areas of growth?
3. Should business tax incentives directed at encouraging more employment and investment in the state be aimed more to rural areas than the rest of the state?
4. Should there be big increases in public job training funds targeted at filling high-paying occupations in high demand?

Interrelated questions

1. Could a "sense of community" be adversely affected by state government decentralization as a strategy for community economic development? If so, how?
2. Is the evolution of technology benefitting large economies (cities) at the expense of small ones (towns and rural areas)? If so, can those differences be eliminated to equally spread the benefits of technological change?
3. Can communities survive socially, culturally and spiritually without long-term economic growth?
4. To what extent should state-sponsored business development programs include incentives to reduce dependence on nonrenewable natural resources?

Policy questions

1. What can the state do to reduce the perception and actuality of "two economies" in Nebraska?
2. What can be done to slow down the migration of young and educated workers from rural Nebraska to more urban Nebraska?
3. Can government help stimulate the kind of economic growth in Nebraska that states on the coasts have experienced?
4. What can be done to maintain — or even increase — wages in rural areas so that economic opportunities are as attractive in rural Nebraska as they are in the more urban areas?

Government and Policy Megatrends

Policy trends are considered, in this discussion paper, to have a distinct influence on Nebraska's future both at the state and federal level, as well as at the international policy level. Though policy often concerns a particular issue, the combined effect of numerous policies can either aid or hinder our progress toward a preferred future. Thus, policies, old and new, must be examined in light of both emerging trends and newly identified objectives. The following are some trends and issues pertaining to policy itself.

US and global trends

- There is an increasing recognition of the need for public participation in policy making. This points to a need for better dissemination of information to inform citizens of policies which effect them in the short term and have a long term effect on future generations. e.g. social security, environmental protection and the allocation of resources.
- There is much discussion of bi-partisan and non-partisan initiatives, in other words, of working together for common goals.
- Although there is still a tendency to compete for limited resources for distinct and separate programs, there is a growing recognition that problems are interconnected and that programs must be coordinated.
- Partnerships between the public and private sector could increase to keep up with the demand for public services.
- The non-profit sector is growing in size and importance. The role of the non-profit sector needs to be considered.
- Community-based initiatives are receiving more attention and funding. Community development programs are focusing on assets as well as needs within the community.
- There is an increasing emphasis on the integration of environment and development goals in order to provide for both rather than sacrifice one or the other. States with the best environmental record also offer the best job opportunities.
- There is a growing recognition that international policy, concerning trade and environmental issues for example, can affect local decisions.
- In some cases, international policy will be formed through a more participatory process, e.g. with increased involvement of non-governmental organizations in governmental forums such as the United Nations.

Nebraska issues

- The Unicameral Legislature is unique to Nebraska. Considering the advantages and disadvantages of this structure, it could provide a model for other states.
- The relatively small population of Nebraska allows for far more public participation than in more populated states.
- Rural and urban issues are too often looked at independently or considered as conflicting interests.

Policy questions

1. What are some of the advantages and disadvantages of the Unicameral Legislature and how does it benefit Nebraska?
2. What is or could be the role of the non-profit sector in the new millennium?
3. What issues affect both rural and urban areas and how are they interrelated? What policies and programs would benefit both?

Summary of Nebraska Preferred Future Characteristics

Nebraska Preferred Future Forum, March 1999

Vision:

To have Nebraska citizens (1.7 million people) determine the direction of Nebraska's future for social, economic and environmental well-being.

"Be there before being thrown there." —*Casey Collett*

Six common key words represent the dialogue about Nebraska's Preferred Future

- Choice
- Empowerment
- Communication
- Success
- Responsibility
- Attitude

Nebraska Preferred Future "Cherished Values"

Preserve the quality of life ("the way we live here")

- commitment to education
- lifelong learning
- maintaining current business
- caring places
- family values
- civic responsibility
- enriched by people who choose to live here — inclusiveness

Profit for individuals, business and industry

- collaboration / cooperation between communities
- resources and services
- technology links

Reciprocality

- give back as well as get — engage people in leadership
- why do we need each other

Sustainability

Stewardship of resources

Small groups of committed people can make a difference

The Nebraska Preferred Future Forum was structured around small group discussion and drawing together a set of characteristics under three themes — Keeping Nebraska's People Competitive, Keeping Nebraska's Places Competitive and Keeping Nebraska's Industries Competitive. These characteristics are as follows:

Theme 1: Keeping Nebraska's People Competitive

The preferred future should include:

a) Create an educational system that meets today's and tomorrow's needs.
   - Technology applications and statewide accessibility and infrastructure.
   - Lifelong access to knowledge.
   - Support of quality k - 12 education.
   - Support of quality post-secondary education.

b) Create linkages to understand (two-way) the needs and values of urban and rural citizens.
   - Actively work together.
   - Actively establish common statewide interests and goals and implement action plans.
   - Address tax concerns with equity as an end result.
   - Active comprehensive planning to meet joint urban and rural needs.

c) Create a positive understanding and respect of ethnic differences.
   - Actively work together to form meaningful representation in communities and the state.
   - Actively identify reasons to work together, cooperate and communicate.

d) Reinvigorated representative government.
   - Actively build respect and participation in the process of government at all levels.
   - Address equitable tax policies.

Theme 2: Keeping Nebraska's Places Competitive

The preferred future should include:

a) Build communities that are caring, sharing and energized for social and economic well-being.
   - Provide for a quality public education system.
   - Provide access to quality health and human services.
   - Build strong community leadership for people of all ages.
   - Build strong community collaboration, cooperation and communication beyond traditional "borders" and look for ways to lessen competition among communities.
   - Provide a safe community environment.
   - Build community inclusiveness, recognize cultural strengths.
   - Build strong community cultural and arts programs.

b) Build economic development around community and regional assets through cooperation and collaboration.
   - Actively pursue community entrepreneurship through education and nurturing local businesses.
   - Promote business and education partnerships for increasing employment opportunities, particularly for youth.
   - Develop a community plan for economic sustainability.
   - Promote leadership training and education for youth and adults in the community.

c) Develop a comprehensive plan for sustaining the community's infrastructure.
   - Provide for the essential public services and utilities.
   - Develop collaborative plans among the region's communities for vital transportation services.

d) Build strong community and local churches cooperation.
   - Facilitate community responsibility and leadership development.
   - Identify and nurture "cherished values" for the community.
   - Nurture community trust and respect.

e) Build a strong community and regional commitment for a sustainable stewardship of our natural resources.
   - Actively pursue natural resource protection and management planning with regional communities and the appropriate regional and state agencies.
   - Support education programs for understanding and implementing practices and policies for use and protection of our natural resources.
   - Actively pursue a program regionally and statewide for conjunctive water use for agriculture, communities, industry and recreation.

Theme 3: Keeping Nebraska's Industries Competitive

The preferred future should include:

a) Be fully committed to support a formal education program (K-16) and continuing education program attuned to state, national and global careers and knowledge needs.
   - Build educational and business partnerships for internships, entrepreneur experienced and leadership development.
   - Actively promote education and cooperative programs that are serving employment opportunities for Nebraska small, medium and large businesses, e.g. production agriculture, value added agriculture, environmental technology and management, health care, natural resource base, tourism construction, community and business services, information technology and entrepreneurial opportunities.
   - Support formal and informal education that expands the view of competitiveness to the global economy.

b) Build on the uniqueness of people who live and work in Nebraska.
   - Support and nurture existing Nebraska industries.
   - Expand cottage and community-based businesses into collaborative models.
   - Encourage and support a strong statewide economic development program.
   - Actively develop and support leadership training at the community level.

c) Build and maintain a statewide communication and information system network equally accessible across the state.
   - Nebraska's industries require a state commitment to provide a "level technological playing field" to maintain and advance their competitiveness. Nebraska's industries must be profitable.
   - Develop a networked knowledge-rich information system for formal and informal education and industry-ready access.

d) Build a statewide business incentive program that nurtures small rural as well as small urban businesses, along with assisting medium and large business.
   - Ensure accessible risk capital.
   - Provide tax incentives.
   - Provide appropriate infrastructure—roads, utilities, transportation systems.

e) Build community and corporate business relationships for mutual sustainability.
   - Facilitate programs that recognize the business profit motivation as part of the community role.
   - Promote programs that support the education and training needs of a culturally diverse work force.
   - Build community programs that encourage and involve representation of a culturally diverse work force.

Nebraska Preferred Future and New Seeds for Nebraska Relationships

Nebraska's Preferred Future is an effort that came forward and has been influenced by an earlier effort call NEW SEEDS FOR NEBRASKA. New Seeds was a SRI International 1988 study that focused on Strategies for Building the Next Economy.

Some of the findings follow. They highlight the common concern then and now. Change was encouraged and had different degrees of success.

Agriculture — Nebraska can no longer compete simply by increasing its output of basic commodity products. Competitive advantages were based on its superb natural resources and hard working people. Nebraska's heavy reliance on an increasingly vulnerable agriculture sector and its uncertain drift into sectors with more potential create risk for all elements of the state's economy — its people, communities, and industries.

Approximately 500 cities that have populations of fewer than 5,000 people are important centers of pride in the state, and these communities represent a style of life that all Nebraskans value. Yet many of these are at risk because their residents are being forced to relocate in order to earn adequate incomes.

Farm equity has been reduced by about two-thirds since 1980. This sector faces growing concentration of production into smaller numbers of farms, and growing disparities among farm operators. Federal farm supports play a critical role in feed and food grains, and such supports are always subject to change.

Because Nebraska's problems in agriculture are structural, not cyclical, farmers and ranchers must move in new directions. Although the opportunities are limited, they can be found primarily in four areas:

- New use of feed grains.
- Expanded livestock and poultry production.
- Alternative agriculture.
- Improved production efficiency.

Moving in these directions will not cause the agriculture sector to grow significantly, but could stem decline and even result in some long-term growth. Most important, these directions would begin the process of building a more viable overall economic base that other economic activity in the state could supplement.

Manufacturing
To grow in the future, manufacturing must reduce its dependence on agriculture and produce new, higher value products for local and new export markets.

- Printing and publishing
- Chemicals and pharmaceuticals
- Instruments
- Machinery and equipment
- Meat and poultry processing
- Specialty foods
- Value added processing

Services
Nebraska's health services industry is the second-largest employer in the state.

- Insurance
- Financial services
- Health services
- Telecommunication services
- Tourism and recreation

Nebraska's competitive challenge will be to transform an agriculture-led economy into a services and manufacturing-led economy that is also strong in agriculture.

The major areas where action is needed to make Nebraska competitive in today's economy are

- Access to technology
- Capital availability
- Entrepreneurship
- Quality of life
- Physical infrastructure
- Regulatory and tax environment

If the Nebraska economy is to develop and change, its colleges and universities should play a major role in supporting, facilitating, and in some cases, leading that change.

Three Strategies for building the Next Economy

Moving effectively requires two preconditions.

First, a broad coalition of Nebraskans must endorse the vision of a more diversified, more dynamic economy, driven by the innovation and creativity of the people as much as by the richness of the land.

Second, public and private leaders must commit themselves to support this vision by providing the new economic infrastructure essential for the state.

Given the challenges it faces, Nebraska needs a three-part strategic framework to:

1. Keep industries competitive.
2. Keep people competitive.
3. Keep places competitive.

Industries

1. Redirect agriculture: adapt to global realities.
2. Expand into high-value-added food processing: reach expanding markets with Nebraska's products.
3. Diversify manufacturing: reduce the dependence link with agriculture.
4. Expand export-oriented services: become new regional service center.

People

1. Enhance work force skills and adaptability: prepare for the next economy.
2. Target innovation: focus on enhancing entrepreneurship.

Places

1. Rebuild linkages: improve connections between urban and rural places.
2. Strengthen economic capacity: promote regional growth centers.