

# Georgia Business AND Economic Conditions

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## Connecting with the World: Georgia Enters the Third Millennium

Suzanne A. Lindsay

*Editor's Note: In the following article, Georgia Business and Economic Conditions goes beyond its usual emphasis on economics and short-range forecasts for Georgia, the Southeast, and the nation. As the Third Millennium begins, what lies ahead for the state in an ever more interdependent world? Given where Georgia is now, the author speculates...*

**N**o one can forecast what Georgia will be when the Third Millennium ends, but we can examine the issues and trends that will influence its early years. Conversely, the decisions and actions of the state's residents are small links in the chains of events at all levels. A symbolic cone of influence (Figure 1) extends both upward and downward, illustrating that many individual decisions have cumulative effects.

The issues and trends that affect individuals spread through just such cross-currents in economic, social, and political life. Isolation and independence are myths that no person, state, or nation can afford to use to make real-life decisions and actions. In turn, these events are played out in an environmental setting that is slowly being recognized as a fundamental determinant of both short- and long-term change. That is why, in Figure 2, the largest circle drawn inside Georgia represents environ-

mental events, issues, and conditions. Three smaller, intersecting circles indicate economic, social, and political influences. Individuals stand where all these forces meet. Arrows show the reciprocal links between Georgia and the rest of the U.S. and the world, and between the world and the U.S. Inevitably, individual Georgians are linked to the future of the state, the nation, and the world.

### SOME GLOBAL ISSUES AND TRENDS

We begin by looking at some of the global issues and trends that, before the Third Millennium begins, already are clear. The constant throughout is change; and adaptation is the key to survival in this new era.

**Pollution** Accumulating evidence indicates that the world should take seriously hypotheses about envi-

ronmental damage and its causes and effects, and act to anticipate or moderate them. The earth's ozone concentration and distribution present more problems. In the outer atmosphere, ozone shields living organisms from harmful radiation, but is thinning in some places as manmade chlorofluorocarbons accumulate and destroy it. Close to earth, however, ozone formed by the interaction of volatile organic compounds and nitrous oxides is a large part of air pollution.

**Energy** Burning fossil fuels contributes to the greenhouse effect, low-level ozone, and air pollution, yet modern economies depend almost entirely on these forms of energy. Some analysts predict that, even with more efficient recovery and use, worldwide stocks of oil will peak and begin to decline during the Twenty-first Century. Others believe that advanced technology and intensive exploration will extend the supply. Substituting nuclear fuel is expensive and carries its own environmental risks. A major challenge for the future, therefore, will be developing and adopting affordable, efficient, non-polluting renewable energy resources, such as meth-

ane; plant-based oil or alcohol; geothermal energy; and wind, water, and solar power.

**Waste Disposal** Safely disposing of natural or manmade wastes is another major concern. Even the oceans cannot continue to absorb pollutants without major effects. An associated problem is the transport of species harmless in their original habitats to others where there are no natural, slowly evolved biological controls.

**Biotechnology** A new kind of biological competition is both blessing and potential threat. Bioengineered organisms may benefit people (adding better resistance to disease and insect damage to crops, for example), but with longer-run risks, especially if the variant genes "jump" into related species or affect other organisms. The law of unintended consequences is likely to become more and more important. The dictum that "you cannot change just one thing" ecologically is easy to repeat, but applying it over time will be one of humankind's greatest and most immediate challenges.

**Population Growth** Changes that slowly reduce the world's supply of arable land through drought, erosion, loss of fertility, and non-agricultural uses, or that threaten oceanic harvests, are particularly important in an ever more populous world. In many underdeveloped nations, population growth is outstripping natural resources; in industrialized countries, even slowly declining birth rates will not be enough to avert the environmental, economic, social, and political consequences of crowding. Falling infant mortality rates and longer life spans also will make for collisions between greater numbers and quality of life.

Rising populations exacerbate the competition for resources, including "free" air and water, that much of the world already knows. Shortages of energy, minerals, food, water, and living space historically have created economic tensions and spilled over into political realms as social conflict between "the haves" and "have nots", or as war. Advancing technology will help to deal with some of these problems, but is not enough to prevent potential "crunches" that occur faster or more pervasively than solutions can be found. For example, the world via high-speed telecommunications, with potential positive and negative effects, but the everyday tasks of life and survival will remain.

**Global Alliances** Developing and continuing effective international and regional alliances will be vital. We already have an alphabet of global organizations, from the UN, World Court, and IMF to the international Red Cross. Regionally, the Organization of American States, the new European Union, and NATO bind member states through their common interests.

Even so, the trend toward regional and continental blocs of nations unified by trade, investment, monetary and fiscal policies, or defense will not be limited to the European Union. An expanded NAFTA could involve Central and South American nations. The U.S. could join

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**FIGURE 1**  
**Cone of Economic/ Environmental/ Social/ Political Influences**



Graphic by Beata Kochut

Europe in what *Business Week* recently called an “Atlantic economy.” Latin America already has Mercosur, which five newly allied Andean nations (CAN) hope to join in a common market by 2005. Although national differences run deep, a trading block composed of Japan, South Korea, Singapore, Indonesia, Thailand, Malaysia, Vietnam, and the Philippines is not impossible.

However organized in individual countries, the world’s economy increasingly will rely on global networks involving extremely mobile capital and very rapid responses to information transmitted through telecommunications “nerve nets”. An investor in Tokyo already knows and acts almost instantly when a stock falls in Paris or New York. The news of important events flashes around the world in seconds. These technological advances alone will be enough to foster great economic, political, and social change.

Highly mobile capital has great advantages, but nations and regional alliances will be increasingly aware of its dangers. Outside resources fuel national economic growth in target nations, which almost overnight slide into recession, if not depression, when the stimulus is removed. The conflict between free trade and protectionism also will go on. Only the products involved will change.

In the information-dependent world to come, education will be one route to economic success and political stability. Other social services and institutions will be critical when internal unrest grows, open conflict breaks out, or the good times of global or regional booms are followed by economic and social suffering during recessions.

**Health Care** One of the greatest global problems, providing and financing adequate health care, challenges even countries with high standards of living. Advanced medical technology and products work but often cost too much for well-off people, let alone the poor. In undeveloped countries, they are not available at all. Difficult moral and economic choices will abound. Who qualifies for potentially life-saving procedures? Who pays? Who decides?

A more dangerous problem is biological warfare. As a peril to public health, it probably ranks much higher than war. Moreover, how will the U.S. or countries with more limited resources deal with the emergence of “new plagues”, such as HIV/AIDS and the Ebola virus, and resurgent “old” diseases, such as malaria and tuberculosis? New medications have created drug-resistant strains, and the ease of modern travel makes the rampant spread of an unknown or resistant disease a real possibility.

**Technology** The most far-flung global trends we will consider here, the advance of technology and the internationalization of science in general and space in particular, are among the greatest achievements of the current century and the greatest challenges of the next millennium. Complex technology will influence every aspect of life. From the Internet to robotic assembly of products; from computers to genetic manipulation of

organisms large and small; from “high-tech” clothing to space-age ceramics and irradiated food, technology is and will be everywhere.

The cooperative exploration of space illustrates the international scientific alliances that are likely to increase. Cost will encourage cooperation in many other scientific fields, with economic and political side effects. It will make far more sense for a group of nations to join in major projects than for one or two to go it alone.

The impacts and working out of these global trends and others frame national issues. Every nation will react in its own way to these problems and opportunities, as well as to its own. The U.S. is no exception.

## NATIONAL TRENDS AND ISSUES

Environmentally, the effects of slow changes in the United States’ natural world are much less obvious than those of extremes and catastrophes, although current variations in climate may persist as long-term trends. A shift of only a few degrees in average annual temperatures would cause substantial effects across the entire U.S., such as what does or does not grow, the frequency of catastrophic storms, and the extent of coastal inundation.

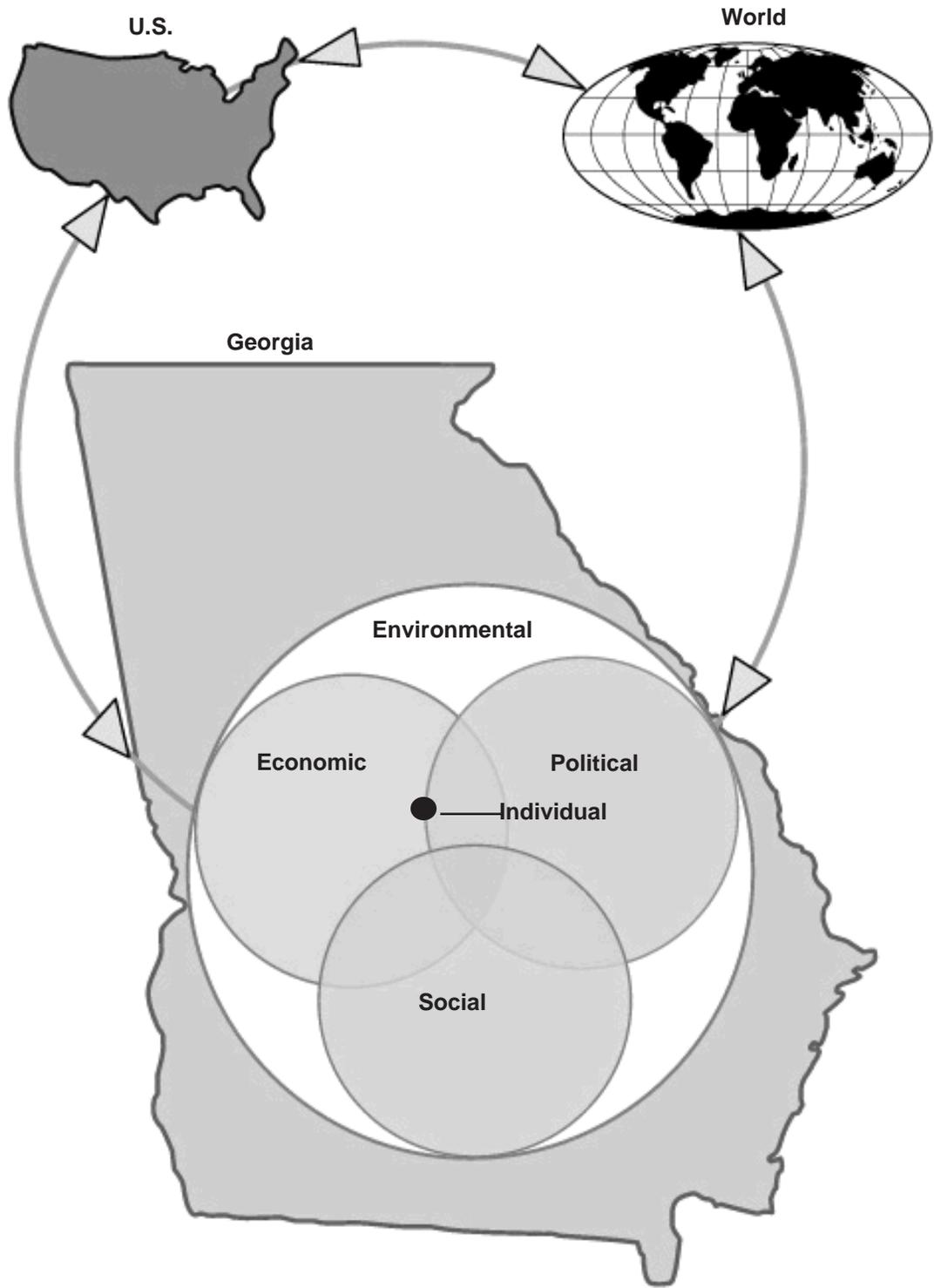
If global warming makes the great wheat-growing regions of the U.S. warmer, so that it becomes easier to grow winter wheat in Canada than in Iowa, the shifts will be gradual. Similarly, the rise of a few inches in the average sea level may mean slightly more extreme high and low tides along the coasts, but at first only the coastal dweller who sees the beach gradually narrowing will seem to suffer.

The problems of pollution and waste disposal are more immediate. Where to put the trash, how to clean the air, how to allocate interstate water flows, and how to protect lakes, rivers, and aquifers, properly will focus national interest and action. When smog from one region blows to another, national leadership and possibly, legislation, will still be needed to spur concerted action.

Disposing of nuclear wastes is another national problem, but its solutions will hit some regions harder than others. Policies for managing public lands, including forests, parks and recreation areas, mining, and grazing, will greatly affect the entire country. Protecting the coastal and offshore marine resources of the U.S. requires monitoring fishing vessels in U.S. waters, as well as international accords. At issue also will be how to minimize the impacts of pollution and development on coastal wetlands and estuaries, especially in interstate waters.

Tackling issues such as global warming will bring substantial short-and long-term changes to the U.S. In a 1997 United Nations agreement, industrialized nations declared that, by 2008-2012, each country will have reduced its total emissions of greenhouse gases by specific percentages below 1990 levels. The U.S. agreed to an 8 percent cut, effectively only about half that because of recent efforts. In terms of both industrial planning and

**FIGURE 2**  
**Flow of Relationships from the Global to the Individual**



Graphic by Beata Kochut

environmental time, the cuts must be made very quickly.

Controlling smokestack emissions and the creating cleaner-burning forms of fossil fuels will be important. Solutions will involve both greater energy efficiency in particular uses, a shift toward natural gas, and substituting renewable energy resources.

America's growing population will intensify environmental issues. The U.S. Census Bureau projects that by July 2050, the country will have about 394 million residents, compared to an estimated 274.6 million in July 2000. These mid-range projections—a low of 282.5 million, and a high of 518.9 million—show how much population could respond to different trends in net increase (births minus deaths) and net immigration (foreign immigration minus domestic emigration). Foreign immigration will be a particularly difficult economic, social, and political issue.

**M**oreover, the demographic composition of the country will shift. Compared to 2000, a smaller percentage of people will be under 44; a higher percentage, aged 45-64; and the percentage of those 65 and older will almost double. The most publicized issue now is funding Social Security and Medicare as the baby boomers and their children retire, but other age-related problems will loom.

Composition by ethnicity and/or race also will change. Mid-range projections show that the proportion of Hispanics (who may be of any race) will more than double, to a quarter of the total population. The share of whites will fall to about 75 percent and that of African Americans will rise from 12.9 percent to 15.4 percent. The proportion of Asian Americans will rise from 4.1 to 8.7 percent, and that of American Indians will increase slightly (to just over 1.1 percent).

## Technological Change

Next to changing environmental imperatives and demographics, the most profound impacts on the U.S. will come from the pace, amount, and direction of technological change. Not all such change is rapid or "advanced," nor are telecommunications and the Internet the only forces at work. Widespread, often incremental improvements in agricultural and industrial productivity will be essential to keep the U.S. economy competitive. Improved or new methods of production may be as important as new products.

The quality of life will be greatly affected by what goods and services consumers can choose, which depends partly on technological change. Technology will help to determine where we live and in what kind of housing; how we communicate with each other; how we organize our economic and domestic relationships; the roles of older and younger generations; and even how and when we spend our leisure time.

Applying technology can both cause and help to deal with environmental problems. New ways to clean contaminated sites will be developed. Whether it is purify-

ing air and water, conserving nonrenewable and amplifying renewable resources, generating power, or reducing, recycling, and disposing safely of wastes, technology will be involved.

The direction and pace of technological change also can create new industries or put lagging ones out of business. Those effects, however, are, only part of a complex economic web. How long will low inflation and economic growth continue? Will a "steady state" economy replace the business cycle? Most analysts agree that the economy will still fluctuate. In fact, as the links between information, sales, production, transportation, and employment become ever more complex and immediate, economic volatility is likely to increase.

## Fiscal Policy

Few tools to manage the national economy and to balance the world's economy are more important than monetary and fiscal policy. The international economy is exquisitely sensitive to the health of the U.S. as an economic super-power, and the country must allow for what is happening elsewhere. When U.S. monetary policy changes, many other governments will follow suit. The rise of the European Union and other economic alliances may erode this dominance, but will not replace it quickly.

As the millennium advances, the problems fiscal policy presents will never be far below the economic horizon. Whether "surpluses" will be spent, used to pay down part of a federal debt now approaching \$5.7 trillion, or to reinforce the Social Security reserves has vital implications. Pressures to simplify the tax code; questions of tax rates, incidence, and fairness; tax cuts and credits, and the balance of business vs. individual taxes will be continuing issues.

**T**he gradual deregulation of important industries also carries fiscal consequences for now and the future. Railroads, airlines, and trucking already have gone through this process; public utilities are following rapidly. Financial services and banking are not far behind. In many industries, an initial surge of new entrants will be followed by a painful shake-out and consolidation, as a few large firms emerge to dominate particular markets. Consumers will gain from competition at first, but whether or not their interests are best served in the longer run, if new entrants are forced out of the market and prices rise to or beyond their initial levels, increasingly is questioned.

Twin trends that may create pressures for re-regulation already are clear in many industries and will persist in a rapidly changing world. Consolidation is especially apparent in transportation, banking, energy, communications, and financial services firms. Convergence, in which a large, specialized firm merges with or buys a controlling interest in closely related firms within the industry in order to strengthen its competitive position, also is beginning. Both trends are spurred by competi-

tion, but are made easier by deregulation. Other competitive actions may accelerate: moving production to lower-cost overseas markets; substituting capital equipment for labor more rapidly; adopting more streamlined administrative systems; and installing innovative technology.

The shift of U.S. industry away from the basic industries (agriculture, fisheries and forestry; mining; construction; and manufacturing) to the service industries will continue, particularly as U.S. firms export more services to global markets. Even here, however, the principles of comparative advantage and competition with lower-cost producers will rule.

Import-export regulations will be important. Trade barriers can be reduced or erected, country by country, that will make it easier or more difficult for the U.S. to bring its trade into at least approximate balance. The changing targets of monetary policy also will continue to influence the value of the dollar compared to those of the euro and other major currencies.

As a net debtor nation with a high negative trade balance, the U.S. is particularly affected by the shifting balance of foreign investment here versus its own investment abroad. As long as the nation's economy is strong, foreign investment will continue to compensate for very low domestic savings rates. Over time, savings may increase; but for now, the economy is running on consumption, cash, and consumer debt. If foreign investments and domestic spending flag in a recession, the impact would be severe.

## Demographic Changes

How these patterns will change as the demographic characteristics of the nation shift is unknown. Millions of baby-boomers still are earning at their highest lifetime levels, but are only beginning to think about providing for retirement. As their children leave home, consumption may become relatively less important and savings may rise. For many, retirement may well be delayed by changes in Social Security and Medicare, better health, and the simply wanting to work. Their children inherit a deep skepticism about qualifying for private pensions, Social Security retirement benefits, and Medicare. If they begin saving and investing early, the balance between consumption and savings could shift much more rapidly.

Already, some Americans born in the 1930s and '40s are delaying retirement. Gradually increasing requirements for Social Security payments play a part, but so does uncertainty about the economic future. Fear of inflation, recognition that retirement may last much longer than it did for their parents, the need to care for grandchildren and/or aging parents, and anxiety about providing for medical expenses and the "good" life influence them. As the average age of retirement rises, the paths upward will be less open for younger workers. Social and economic consequences then will multiply. There will be many ways to gain or keep a foothold in

the economy: starting new businesses, retraining for new fields, more education, working in volunteer or minimally paid work, or mastering a new, technologically advanced skill.

## Education

To be competitive after 2000, the U.S. must have a skilled, educated, flexible, mobile, and creative labor force. Given prosperity-related labor shortages, as well as prospective ones arising from a smaller future labor pool, employers will not be able to take workers for granted. Those available may not be qualified, or may be unwilling to work for the wages and conditions offered. If workers can switch easily from one job to another, employers will have to search for, work to train or retain, the people they need.

**E**ven with labor shortages, the unskilled and poorly educated will remain marginal members of the labor force. Employers will have to accept more diversity—more women, more racial and ethnic minorities, more older workers—but those with the fewest or least advanced skills still will be outside, looking in. To remain competitive, businesses must have employees who can "work smart"; to stay competitive in their jobs, employees must be able to do just that.

The social and political implications of these trends are considerable. Education, even more than now, will be the difference between economic "haves" with "good" jobs and the "have nots." Dropouts, functionally illiterate or poorly trained individuals, those who cannot speak, read, and write English well, or those who lack a strong work ethic, potentially will form an economic underclass in the U.S. Unless their children can be educated well, they too are at risk. The social problems of unemployment, poverty, familial decay, and crime will remain strongly linked to those of education.

## Social Welfare

Issues of social welfare have indeed focused a debate that can be expected to continue indefinitely: rethinking the role and size of national government. Instead of "big government" as a prime mover in dealing with various social and economic trends, the focus will be on limiting the size of government and its financial drain on individuals and businesses. The amount and distribution of federal spending will sum up thousands of political decisions made under one or the other philosophy. "Unfunded mandates" will offer the worst of both worlds. When federal government shifts responsibilities to states but still controls much of their content and does not pay for the required actions, states' costs will surge.

Changing social trends often will raise the questions of "big government" versus individual responsibility and rights often. Disagreements and constitutional challenges over discrimination on the basis of race, sex, creed, or other characteristics and access to housing, education,

## As the Third Millennium Begins: Global, National, State, and Local Issues and Trends

### Global

Environmental change and preventive/compensatory measures  
 Increasing world population: divergent national and regional rates of growth vs. available resources  
 Competition for renewable/ non-renewable resources  
 Impacts of advanced technology on economic, social, political, and environmental conditions  
 Developing and maintaining effective international and regional alliances, international law/treaties, and/or enforcement agencies  
 Promoting peaceful solutions in a world armed for defense and/or aggression: international cooperation and interdependence  
 Stress from differing national and regional political systems lying along a gradient between democracy and dictatorship  
 Economic, political, cultural, and environmental impacts of current and potential superpowers  
 Stress from competing economic systems  
 Development of global economic networks characterized by extremely mobile capital and very rapid response to information/change  
 Rise of regional and continental blocs unified by trade, defense, investment, and monetary and fiscal policies  
 Consequences of competition between open markets vs. protectionism  
 Social consequences of a rapidly changing, information-dependent world; the role of social services  
 Defining the importance of "human rights"  
 Providing health care; dealing with the "new plagues" and resurgent existing diseases  
 Impacts of advanced technology  
 Cooperative exploration of space

### National (U.S.)

Long- and short-term environmental problems and policies, including  
 Long- and short-term impacts of changing national demographics  
 Impacts of advanced technology on economic, social, political, and environmental conditions  
 Dealing with economic fluctuations; the "steady state" economy vs. the business cycle  
 Dependence of economy on inter-linked production, transportation, and information  
 Impacts of long- and short-term monetary and fiscal policies  
 Impacts of deregulation and/or reregulation on industry and individuals  
 Dealing with twin trends: consolidation and convergence industries  
 Continued growth of "service" vs. "basic" industries  
 Importance of skilled, educated, flexible, mobile, creative labor force in the "Age of Information"  
 Impacts of long- and short-term monetary and fiscal policies  
 The impact of foreign investment and U.S. investment abroad  
 Rethinking the role of national government: downsizing and "Big Government"  
 Amount and distribution of federal spending  
 Mandates: delegating responsibilities; but keeping control  
 Changes in social welfare programs  
 Provision, costs and financing of, and access to, medical care  
 Protection of public health  
 Changing positive and negative social trends  
 Influence of federal funding/policies on "urban sprawl," small towns, "edge cities," and rural areas

# Global, National, State, and Local Issues and Trends

## State (Georgia)

Direct and indirect impacts of global and national trends and polities  
 Environmental issues  
 Demographic trends  
 Economic health of urban, small-town and rural Georgia  
 Adding value through agriculture  
 Urban sprawl as problem or opportunity  
 Competition for investment/ industry/employment : the new “War between the States  
 Transportation problems and opportunities as core element in economic development and many environmental issues  
 Water as prerequisite for growth  
 Rethinking the role of state government: honest, efficient, economical  
 Reorganization of state tax system  
 Dealing with unfunded federal mandates and underfunded local governments  
 Privatization of services and/or facilities  
 Supply and regulation/deregulation of energy and other public utilities  
 Improving publicly-funded infrastructure  
 Issues in education  
 Issues in employment  
 Improving public safety  
 Building on Georgia’s comparative advantages

## Local

Coping with impacts of global, national, and state-wide trends  
 Conflicting views on land use, property rights, and environmental quality  
 Impact of demographic trends  
 Emphasis on locally-controlled, responsive, efficient, cost-conscious local government  
 Sources and adequacy of governments’ financial resources  
 Quasi-governmental authorities: costs, effectiveness, powers  
 Local and regional cooperation vs. go-it-alone  
 Issues in decentralization of services and functions  
 Privatizing of local functions/services  
 Issues in economic development  
 Issues in employment  
 Achieving educational quality with public/private support  
 Encouraging a healthy society  
 Blending the past with the present and future

social benefits, and most important, employment, will continue well beyond 2000. Great effects on mandated programs, particularly those affecting health, safety, and other social legislation, already loom. One question awaits a recession: what will happen when state financial resources falter just when people most need such supportive programs as unemployment insurance and temporary family assistance? Moreover, what political and social consequences will follow if education does not avert an economic underclass, whether prosperity or recession rules? Providing and financing medical care will be another thorny issue. Where should individual responsibility end and institutional and governmental responsibility begin? Similarly, national protection of public health is important when the effects of disease or the adverse medical consequences of drugs or procedures are felt countrywide.

Many of the most important, but invisible, trends of the next millennium will have practical consequences. The effects of the Internet and advanced technology in general, how much economic and social groups participate politically, the potential confrontation between the elderly and a youth-oriented society; the pressing problems of encouraging and supporting strong families and neighborhoods, all begin with individuals but ultimately have national implications. Moreover, federal mandates and funding will affect the very real problems of “sprawl,” and therefore competition among central cities, “edge” cities, suburbs, and rural areas. Few issues will be more controversial or have as many long-run effects as the federal-state-local dialogue concerning these relationships.

That complicated web of causes and effects, in fact, involves the next level in the cone of influence: the issues confronting Georgia in the next millennium. These include the direct and indirect impacts of global and national trends and policies, but become much more specific.

## THE STATE OF GEORGIA

**G**eneral trends in environmental problems, population and economic growth, quality of life, the consequences of rapid growth in advanced technology, the Internet, and debates over the size and functioning of government, all will affect Georgia's future.

As the twentieth century ends, environmental issues already are vital to Georgia. The first and least controllable is changing climate and weather. Much of the outer coastal plain lies only a few feet above storm tides. Persistent flooding would destroy the sea marshes that are recreational areas and nurseries for wildlife, inundate the sea islands that are really only geologically short-lived sandbanks, and damage or require relocation of coastal homes and businesses.

There are other possibilities. Changes in global patterns of weather could mean more frequent hurricanes, exposing inland areas to windstorms and flooding. Danger and economic losses from tornadoes will rise as the state's population grows and more people live in harm's way. A hotter, drier climate during La Nina years or because of a general warming trend could make multi-year droughts more frequent, seriously hurting agriculture and stressing the state's surface fresh water supply—which, in turn, could mean moratoriums on new water connections in urban areas.

Metropolitan areas and nearby counties in mid- and northern Georgia already feel the results of air pollution: human suffering, higher medical costs, economic costs of lost working time, and limits on road construction and ultimately, development. Losing federal funding for transportation projects in the Atlanta area has hit hard at the basis for much of the state's recent growth: the steady movement of residents and businesses out from the central city and first ring of suburbs, to a second tier of surrounding counties and (especially if the proposed Outer Perimeter is built) to yet a third ring of development. As the quality of life deteriorates, people move on, again and again. In turn, yesterday's desirable residential and business areas become second- and third-choice inner suburbs. Too often, urban decay moves from subtle to rapid, as businesses follow, or even precede, the outward-flowing tide of residents.

## Sustainable Growth

The federal moratorium is one aspect of a much larger issue, sustainable development, that will occupy Georgia in the Third Millennium. If growth is not to outrun the available physical resources, its amount, type, and location must be carefully considered. Approaches and practices will vary, but some basic principles will become more important: encouraging “infill” building so that the average density of urban areas rises, but reserving areas of open space so vital to the quality of life; planning ahead for functioning communities rather than dormitory tracts; providing alternative transportation; zoning to allow workplaces and services close to a mix of multi-family and single family housing; encouraging people to save energy through education, building codes, and unconventionally-powered equipment.

Such actions are important because room for many more Georgians must be found in the twenty-first century alone, even though the rate of population growth probably will drop in time. The U.S. Bureau of the Census estimates that Georgia's 1998 population hit 7.6 million and will rise to over 9.8 million by 2025 alone, a 29 percent increase. In the early Third Millennium, Georgia will have more elderly people, minorities, immigrants, and in-migrants.

In this demanding and politically dynamic situation, Georgia's smaller towns and cities will have much to offer. Many smaller communities will remain friendly, livable places, where business and industry are wel-

comed and sought. Rural and small town development will remain a delicate balancing act, however, between attracting and holding enough businesses, residents, and visitors for a viable economic base, and keeping the style of living that first attracts newcomers.

To reach these places takes roads, and transportation will be one of the most important issues statewide. Many will see interstates, developmental highways, and multi-laned roads as essential. Even so, some communities without such access already have, by concentrated, cooperative efforts and sheer ingenuity, managed to attract clean, stable industries, keep their unique characteristics, and even capitalize on being off the beaten path.

For much of Georgia, one path to sustainable growth lies in tourism and its nature-oriented variant, eco-tourism. Regional advertising and collaborative efforts between governments, businesses, and private groups can encourage more travelers to use the byways as well as the highways. Georgia's beaches, parks, and historical sites will draw many visitors annually and help to support many small businesses. Holding land open, improving habitats for wildlife, providing interpretive services, and encouraging non-exploitative businesses to bring in visitors, are some ways Georgia can use its natural resources in the Twenty-first Century.

## Rural Economy

Rural Georgia's economic health will present many issues, encompassing everything from the gradual loss of working-aged residents, and patches of persistent poverty, to the decline and death of home-grown businesses when large discount or chain stores locate nearby. Employment may be improved by adding value to agri-

cultural products. Developing biotechnology that makes new crops possible or improves returns on old ones, and encouraging processing plants to locate close to raw materials, or agricultural concerns to expand into retail operations (mail-order and on-site Vidalia onions, for example) could help provide jobs.

Environmental considerations will be vital for Georgia's agricultural future. Drawing down aquifers to irrigate crops can pose risks to the long-run water supply of surrounding areas. Erosion and pollution from runoff

of agricultural fertilizers and chemicals will need controlling. Some uses will be controversial: proposals to locate very large hog farms in Georgia have raised many questions about their environmental impacts that growing a second crop, such as carrots, on the same land used for onions would never involve. Similarly, finding new ways to use Georgia's federally- and privately-owned forests without environmental degradation,

through careful harvesting, erosion control, new products or new methods of processing existing products, will help rural areas.

Other options for Georgia's vital agricultural sector will include developing more efficient production and marketing; encouraging farmers to diversify; keeping rising land valuations and tax rates from forcing development of land, especially near expanding "exurbs"; and encouraging exports of forest and agricultural products. One of the most interesting environmental proposals would regard the plants of fields and forests as natural "sinks" that lock up the carbon dioxide that contributes to global warming. Allowing landholders to sell these benefits as "sequestration credits" will be controversial, especially if it avoids serious efforts to prevent air pollution. ■

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### Upcoming In The Next Issue

#### Three Crucial Issues That Georgia Must Confront in The Next Millennium