



## **Why Is Rural Virginia's Economy Lagging?**

- Every economy requires that it have something to sell to the rest of the world at a profit. That activity is called its economy base.
- The traditional economic base of rural Virginia has been tied to natural resources and consisted of four industries: 1) farming, 2) forestry, 3) fisheries, and 4) mining.
- All of these industries have been transformed by new technology that reduces labor requirements and transportation costs and by increased global competition. The result is that opportunities to earn a living in these industries have dried up.
- Some workers displaced from the traditional industries were employed in branch manufacturing plants. Those opportunities have also declined as branch manufacturing plants have been forced to move overseas or face bankruptcy. The Southside economy has been particularly hard-hit by closures of textile and furniture plants.
- Opportunities for some fraction of rural Virginians to earn good livings in traditional industries will continue, but the time has past when those industries can support the population now living in rural Virginia.
- The future prosperity of rural Virginia requires that rural communities find new economic bases so that they have something to sell to the rest of the world at a profit.