

Critical Linkages: Strengthening Clusters in Urban and Rural Oregon

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Urban and rural Oregon are linked through exchanges of people, goods, services, and money. They are also connected by the important linkages between companies that comprise some of the most important industry clusters in our economy.

While the natural resources industries have fallen in terms of their contribution to the economy relative to other sectors, they continue to play an important role in Oregon's traded sector economy. Furthermore, these industries span the border between urban and rural, providing income and jobs to a substantial number of people in both urban and rural Oregon.

This paper discusses two of Oregon's most important traded sector clusters: the food industry and the forest products industry. Both of these clusters draw upon the natural resources available primarily in rural areas. But these clusters also include urban businesses, services and other assets such as manufacturers, certification and support agencies, markets, and ports.

Improving the competitiveness of a cluster often requires strengthening the connections among its members. For Oregon's food and forest products clusters, this means strengthening the linkages between the urban and rural components of these clusters.

Rather than exporting raw commodity food and lumber, Oregon must improve its product differentiation, increase quality and productivity, and take advantage of its local consumer base while also penetrating export markets. These steps require relationships that go beyond arms-lengths transactions. The high quality and production values that accompany these strategies require a commitment to relationships that look and act more like partnerships than transactions.

Examples of success in building these relationships include efforts underway between hops growers and breweries, chefs and farmers, and forest landowners and architects.