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UNITED STATES DEPARTMENT OF AGRICULTURE

TRENDS AFFECTING RURAL INSTITUTIONS

Talk by C. B. Ratchford

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I congratulate the planners of the National Outlook Conference on including a talk of this nature as a part of the program. It is high time that factors other than prices, supply, demand, income, and employment be considered in such a conference. The ultimate goal of our citizens is to have a high-quality life for themselves and posterity; and the institutions of society are increasingly providing services which are essential to high-quality living.

As is customary, this paper begins with definitions and assumptions. Institutions are defined to include all decision-making units other than individuals, families, farms and business firms. Included are governmental and educational agencies, organizations, churches, service clubs, planning groups and other similar bodies.

A functional definition of rural is used for the purposes of this paper. Rural includes everything outside the standard metropolitan areas and the immediately adjacent bedroom communities which are tied in every manner to the metropolitan area.

Trends which will be mentioned refer to the typical or model community. Some institutions depart from the typical just as some farmers make more money when most are making less.

It is assumed that the typical rural area will continue to lose population with the usual attendant effects of many more people in the older age brackets and a lower relative level of economic activity.

Some Significant Trends Affecting Institutions

No effort will be made to identify all of the trends affecting rural institutions. Rather, I intend to concentrate on a few trends often overlooked and which I think are highly important in relation to action that might be taken to change the situation.

A. The Growing Role of Institutions as Providers of Services

Many services which middle-class citizens consider essential come through the action of groups of people or public bodies. It would take more wealth than Croesus possessed to provide for a single individual what all middle-class citizens enjoy with only modest incomes. This trend has been proceeding steadily in the same direction, and to a considerable extent, as a result of new technology. More than a century ago the main institutional services were protection under the law, opportunities for worship, and education for the very young. Over the years transportation, various public utilities, natural resource development, protection of many kinds, different educational opportunities, health and social services, recreation, economic development, anti-poverty programs, housing, and race relation programs have also been added. This trend will almost certainly continue.

B. Technology and Specialization and Their Consequences

The ever accelerating development of new technology and its impact on farms, businesses, industries, and homes is known and accepted. The fact that technology has an equal impact on institutions and public services is often overlooked.

The major consequence of the technology explosion has been specialization and large-scale production in every phase of our society. This is necessary for the new and superior goods and services--made possible through technology--to be available at a reasonable cost. Health care is a crucial individual and community concern and provides a good example of how new technology affects the service. Not many years ago most health services were rendered by general practitioners, and a single physician often served the entire population of a community. Most services were rendered in a physician's office or in the home, and nursing care was the responsibility of the family.

Today, minimum health service requires a team of specialists, hospitals, extremely expensive equipment, various nursing services, physical therapy facilities, and other similar services. Yesteryear, the medical doctor could do well in a relatively small community. Today's health team, however, requires a large population base, a public investment beyond the means of most rural local institutions, and an opportunity for medical personnel to be in constant and immediate touch with the world-wide medical community.

With only relative deviation the same situation applies to most other institutional services. For example, a comprehensive secondary educational program of high quality with a large number of options requires a large population and economic base. Public utilities are a classic example of large numbers substantially reducing the cost per unit. Even churches

increasingly require high financial support, which means large membership, to provide the array of comprehensive services expected from the modern church.

C. The Development of Large-Scale Social Organizations

The consequence of industrialization, urbanization, and exploding technology has led to the development throughout society of large-scale, specialized, vertical organizations. This phenomenon has been well documented by Dr. James T. Bonnen. He describes the situation as a social structure characterized by large-scale organizations, most of which are vertical in nature, many of which are national, and when taken together, encompass most of the functions of society. Government, manufacturing, transportation, communication, agriculture, labor unions, trade and professional organizations, even churches and universities are characterized by large organizations. These organizations tend to be federated into national special purpose groups. There are many interesting aspects of this phenomenon but, for the present, we are concerned with their impact on rural institutions.

One consequence has been the destroying of a 19th century nation of varied folk cultures, small communities, and small organizations each with a large degree of autonomy. Large national, vertical, special-purpose organizations tend to effectively tear apart the local community. Professionals are more concerned about their colleagues elsewhere in the country than with their neighbors in the local community. The same is true with labor organizations, trade associations, and to a considerable extent, even churches.

A more important point is that of access to the power of decision. The power to decide many of the most important aspects of a community's future has moved from local communities to higher aggregates of society and to large-scale organizations at state, regional, or national levels. The exercise of organized power today is primarily a phenomenon of large-scale organizational behavior and is concentrated to a great extent at the national level.

Any functional segment of society that wishes to exercise effective power in its own behalf today must be organized and have access to the national level of social organization. Any local institution that wishes to exercise power of decision over its own future must be of sufficient scale and organizational capacity to gain legitimate access to the state, regional, and national levels of these many large-scale functional or vertical segments of society.

It should be clear that institutions constructed on an exclusively agricultural or local rural community base to serve rural life are no longer viable. Specialized rural institutions which operate separately

and under special rules of behavior because agriculture is different or rural life is superior, have lost their ability to relate to the rest of society where most of the power of decision making, public and private, now lies.

D. Growing Interdependence of Institutions

Increased interdependence in the production sector is well recognized. Farm supply, production, and marketing are linked in such a manner that their separation, or return to self-sufficiency, is impossible. The same interdependence at the institutional level have been largely overlooked.

Interdependence is a natural outgrowth of specialization and large-scale organization, with health services and comprehensive education again being prime examples. The local rural institution stands no more chance of being self-sufficient in the last third of this century than the modern commercial farmer. The consequences of being a hermit are well recognized in economic terms, and the same consequences apply to a community which attempts to isolate itself.

Small communities are necessarily tied to larger ones. It is the exception, however, where this is recognized and where positive effort is devoted to increasing the efficiency of interaction between institutions both within a community and in different communities. The more common situation is for institutions to fight each other. In particular, small communities tend to vigorously fight larger ones--an action which chokes the larger community, brings slow death to the small community, and generally stifles the entire area.

Local institutions must increasingly interact with state and federal governments. The federal government provides some services directly and in other cases provides funds to help local institutions provide service. These funds can, and often are, used as both a stick and a carrot to bring about institutional change. For example, the desire for federal assistance for public works has caused a number of local communities to agree to comprehensive planning. The threat of the loss of federal aid to educational systems has forced many communities to integrate.

The relation with state government is even more direct because many institutions are creatures of the state. In addition to services and funds the state makes available, there are state laws and regulations which force communities to do certain things and refrain from doing others. The influence of state and national governments on local institutions is likely to increase.

E. Decrease in "Clout" of Rural Areas

Rural institutions have lost much of their "clout" over the last several decades. This is accounted for, in part, by the loss in population and subsequent reapportionment. A loss in population and representation does not necessarily mean a loss in "clout" because minority groups can be powerful if they recognize themselves as such and act as a minority group must. The first step for a minority group is to stick together. But in rural areas, cohesion has diminished concurrently with a loss in representation. Several reasons for this increasing division are evident.

One reason has been the increasing diversity of interest in a given rural locality. Part of this is a consequence of a point made earlier--namely, the development of large-scale vertical social organizations, and the high loyalty of members to these organizations regardless of place of residence. Increasing specialization within agriculture is also a contributing factor. Not many years ago most farmers in a given geographical area had basically the same problems and interests from a production point of view. Today, the specialized livestock feeder has little in common with the specialized grain producer; in fact, there may be conflict between the two.

The transfer of functions to the public sector, an example being welfare, has removed some of the incentive and necessity for citizens in a given locale to work together. The disappearance of some very local institutions, such as the one room schoolhouse, also represents the loss of an adhesive which tended to keep people in a given locale pulling together.

For decades there has been some tension and a feeling that there was a conflict of interest between townspeople and farmers. This feeling still exists in spite of every fact indicating that it should have disappeared. For example, many farmers live in town, and many people who work in town live in the country. Much more important is the dependence of all of the people on the same institutions to achieve their common goals and the fact that even the combined farm and town base may prove barely adequate for achieving their goals.

Implementation of some new national programs has created further fragmentation in many rural areas. The most laudable goal of equal opportunity for all races has resulted in the creation of new institutions, the weakening of some existing institutions, and at times, a growing animosity among the several segments of a community. Also special institutions developed to serve the poor, the senior citizen, or youth have worthy objectives and may be necessary, but again tend to further pull apart the once solid rural area.

The final factor reducing cohesiveness of rural areas is the fragmentation of the agricultural establishment. This is defined as including the leaders of farm organizations and agri-businesses, agricultural colleges, the part of the USDA that deals directly with farmers, and state and national legislative representatives who identify themselves with agriculture and who carry the legislative ball for the balance of the agricultural establishment. There is no need to belabor the point that there is serious internal conflict within the agricultural establishment. The reasons are complex and some of them are beyond the control of the agricultural establishment. For purposes of this paper the significant point is that its fragmentation has served to dissipate the already limited strength of rural areas. The splinter group, instead of forming alliances and communicating with other segments of society, have tended simply to build separate smaller and weaker national structures.

Reaction of Rural Institutions to Trends

In the final analysis institutions are created and guided by people to serve society. In this section, the term people is used instead of institutions. Reactions of rural people have been either to largely ignore what was happening with the hope that it will go away, or to react violently. These actions, or lack of actions, show up in several ways.

Rural people, even more than others in our society, have and continue to place great faith in more production and more employment reversing the situation. It is easy to see why such a solution seems appealing, particularly to farmers, but the fallacy of such an approach is discussed quite vividly by John Kenneth Galbraith in his books, The Structure of American Capitalism and The Affluent Society. Most rural areas have increased production but population has continued to decline. Further, most rural areas have not been successful in substantially increasing non-farm employment and it appears that there will not be a major change without the federal government drastically altering its policies.

There has been widespread rejection of proposals that would change local institutions. As examples, planning and zoning have been almost uniformly rejected in rural areas. Likewise, there has been tremendous resistance to consolidation of governmental functions. True, some change has occurred, but almost always as a result of a strong outside force.

There has been growing opposition in rural areas to financial aid from state and federal governments except for the traditional programs of transportation and price support assistance to farmers. The great hope for institutions whose revenue is tied to real property is more state and federal assistance, and no area is more dependent for revenue on real

property than the rural community. The difference in attitude toward state and federal support has been vividly documented in the past few months. Cities have been clamoring for financial support from state and federal governments, but this has not been so in rural communities.

Rural areas are becoming increasingly conservative--not in a political sense but in attitude--toward institutional change. Perhaps in real terms conservatism has not been increasing. But it certainly has been in a relative sense because the times dictate rapid institutional change.

It also appears that there has been an intensification of rural fundamentalism. Agricultural fundamentalism has largely disappeared; but most people in rural areas still firmly believe that the rural community is a better place in which to live, that it has better churches, and schools, less crime and poverty, greater morality, more recreation, and more everything else that is good. Obviously, the facts do not substantiate this picture and the real danger of such a view is the legitimatizing of the failure to bring about institutional change.

The Results

The result of the trends previously mentioned and the reaction to them by rural people has widened the gap in quality of service received by metropolitan and rural areas. Rural communities are lagging and this shows up in every field where measurement is possible. The census reveals the difference in educational attainment. The President's Commission on Rural Poverty documented a similar lag in health services, housing, recreation, protection, and, yes, even recreation. A higher percent of the rural people live in poverty than in metropolitan areas. One suspects that there has always been such a lag; the disturbing point is the widening of the gap.

The federal government has inadvertently contributed to widening the gap during the last two decades. This is the result of the growth of creative federalism. Under this plan the federal government makes funds available to local institutions; but the local institution must apply for the funds and must use them for certain purposes. This is in contrast to the policy followed in the 30's where the federal government administered the programs directly and established offices in every part of the country. Repeating, that while the federal government did not intend to discriminate against rural communities, the new policy has done so and is undoubtedly one factor contributing to the widening gap in level of services.

There Are Some Solutions

In this paper I was to identify and discuss some of the trends affecting rural institutions. I cannot close without a few comments on possible solutions. I realize that my paper has indicated a rather dismal outlook. However, many things can be done. In fact, I think it may be easier to upgrade the quality of institutional services than to guarantee a given price level for farm products.

The development of new institutional forms holds real promise. The regional planning commissions which are now being established in most parts of the country can help. They do pool resources of a number of smaller institutions; they pose no immediate threat to any existing institution; they can provide comprehensive planning for economic and social development; and they can relate effectively with state and federal governments.

Increased educational and technical assistance to rural institutions will bring beneficial results. One very tangible end is making use of the tools available at state and national governmental levels. Also by indicating that there are alternatives, some of the conservatism and frustrations may be eliminated and the people motivated to greater positive action.

The new institutions which have been created to deal with poverty and racial problems have helped develop new leadership. Perhaps these new leaders, along with older ones, will eventually get together to establish a new rural establishment which can and will exercise "clout" in behalf of rural America.

Basic to bringing about any improvement is an educational program which will result in a change in attitude and a clear understanding of the dimensions of the present situation and what is likely to happen and what can happen. A key to this is greater citizen involvement in institutional decision making as well as further development of high quality leadership.