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Development issues of rural resource-dependent regions

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> ... after all, it is [social] policies which the legislator, the real estate man, the investor, the economist are all seeking, to guide them in their daily transactions which involve natural resources. A land policy, it should be repeated, means planning the utilization of natural resources to reach desired [social] ends. These aims of a land policy form a yard-stick by which to measure the wisdom and efficiency of any particular form of utilization.
>
> Richard Ely and Edward Morehouse 1924 p. 269

This set of papers builds upon work that integrates natural resource management and rural land use into a regional policy analysis framework. Land and its use within a resource policy context long have been studied by scholars. Among the pioneers in this pursuit[1] are Marion Clawson, Kenneth Boulding, Richard Ely, Robert Repetto, and Adam Rose. The following papers do not assess the full range of policy issues unique to natural resource-dependent regions, but touch on some of the important regional economic issues specific to these regions. These include the *de facto* influences of market conditions on rural regions, income distribution issues, and the incorporation of nonmarket goods into the production and consumption streams of rural regions. We hope to improve understanding of the necessary context within which public policy on rural land and its use can be formulated.

Throughout the rise of human civilizations we have relied on natural resource stocks of rural regions to serve short-term human needs. Our perception of natural resource stocks as longer-term assets serving society as a whole has occurred only recently. Early American development was accomplished at the expense of forest-growing stocks that were converted to agricultural production throughout the East and Midwest. Owen (1975 pp. 226-231) discusses the history of exploitation under which the presettlement United States was transformed and raises the important point that perception of wise [resource] use often is related to the stage of economic development a region is currently experiencing. To what degree are persons who already enjoy highly advanced stages of economic development dictating to those in less developed stages the appropriateness of using raw material resource stocks for their own improved welfare?

[1] This is certainly not an exhaustive list.

Conflicting perceptions of land use held by urban and rural peoples are rooted in economic dependency. In short, your view of land use is related to your individual set of economic opportunities. Apportioning land to its most valuable use in the short term has provided for day-to-day needs throughout history. Sustainability of productive land capacities often is considered a luxury by those grasping for day-to-day economic household requirements. The ability of intervening forces to simultaneously sustain rural households and maintain productive land capacities is the core of social, economic, and environmental problems throughout the world (Laarman and Sedjo 1992).

Our current structure of regional economic accounts is inconsistent in the way it treats regional stock resources. Static results commonly used to assess the effectiveness of rural development often misinterpret growth (or decline) as regions deplete (or accumulate) their natural stock resources. Furthermore, there are important factor price effects as land use and regional stock resource levels change over time. The effort to develop a system of more green accounts has been of increasing interest to economists (Repetto *et al.* 1989; Norgaard 1989), but straightforward accounting methods remain elusive.

The trade-offs associated with alternative land uses are difficult to characterize. Persons are traveling to remote places more than ever before. Increased use of remote areas for recreation coupled with an increased awareness of visual aesthetics and biodiversity concerns have led to skepticism of traditional economic uses of natural resources in rural areas. The compatibility of traditional land uses with outdoor recreation and tourism are at the forefront of public concern. Managing land for commodity production works within a complex matrix of compatibilities with rural tourism-based development. Compare, for example, recreational use of forests for hiking and wilderness use with the growing and harvesting of trees for wood products. In many respects wilderness use of forest land is inimical to harvesting activities. On the other hand, motorized recreational use and timber production enjoy widespread compatibility. The works of Clawson (1974) and Clawson and Knetsch (1966) provide insight into these land use compatibility linkages and identify the simple fact that land use trade-offs are use-specific and complex.

In the following articles MCRSA members attempt to integrate these fragmentary components within a regional science context. This integration is an important component in understanding these complex central issues. The first paper, written by Dean Schreiner and colleagues, deals with the issue of rural welfare improvement and price endogenous regional modeling from a market-based perspective. The second paper looks at local development policy in a resource-rich region of the Upper Midwest and emphasizes the *de facto* implications of current transitions to market policies in rural regions. Finally, the last paper examines a more integrative modeling approach that tacitly incorporates the joint production of private and public goods.

These papers are excerpts from two sessions of the 1996 Mid-Continent Regional Science Association's annual meetings held in Madison, Wisconsin. On behalf of the other symposium authors, I'd like to thank the members of the associa-

tion for this opportunity to present ideas on topics important to both regional science and the development of rural resource-dependent regions.

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