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Seeking a Rural Development Policy:

Lessons from the National Commission on Agriculture and Rural Development Policy

by Thomas D. Rowley
and J. Norman Reid

Context

Readers of *CHOICES* are well aware, the 1980s were hard on rural America. Crises on the farm and in the oil fields were not the only problem. Foreign competition in manufacturing; a shortage of adequate, affordable education, health care, and other vital services; and the physical and social isolation that separate rural America from urban centers of economic activity contributed to the woes of the rural economy. The prosperity of the 1970s brought by the "Rural Renaissance" was over. The rural economy needed help.

Despite the vast problems in rural America, there is no defined rural development "policy." Instead, there exists a loose collection of individual programs. This situation is partly due to the division among various federal entities and among the federal, state, and local governments of responsibility for rural development. It may also be partly due to the disadvantage rural interests have compared to urban interests in terms of congressional representation and political power.

Yet, rural development is important to rural and urban citizens alike. Indeed, rural development is important for the economic efficiency and security of this country. In the increasingly competitive global economy, the United States simply cannot afford to underuse the valuable resources in rural America. Equity is also an issue. Equal opportunity to basic goods and services and to economic prosperity is a fundamental precept of our national heritage. Many rural Americans are denied that opportunity.

The Commission

Congress, in the 1985 Farm Bill, responded to the need for a rural policy by creating the National Commission on Agriculture and Rural Development Policy. Its purpose: to help shape a rural development policy.

Members of the Commission were nominated by state governors and appointed by President Reagan. While all but one member came from some aspect of agriculture (thus, requiring some persuasion by Commission staff that most rural Americans no longer depend mainly on farming for their jobs and income) the range of geographical regions and philosophies represented was broad.

After examining and reporting on agricultural issues, the Commission spent 1990 on rural development policy issues, including rural development strategies, health care, transportation, ethnic differences, poverty, education, economic and environmental trade-offs, and infrastructure.

Though not specified in its mandate, two realities helped frame the Commissions investigation and recommendations. The first: Given the federal budget deficit, little or no new money would be coming from Washington for rural development. The second: The New Federalism meant that state and local governments, not the federal government, would be the major players in rural development.

Therefore, the Commission's eight recommendations promote a new way of thinking about rural development, not more spending. They strive for sensitivity to rural needs, better planning of development efforts, cooperation, and innovation. And though specifically directed to the federal government, the recommendations apply equally to state and local governments. Indeed, it is at these levels where the bulk of rural development efforts will take place. The federal role will primarily be one of nonmonetary support.

Encouraging Signs

While not a direct result of the Commission's work, some encouraging signs of progress have already appeared. On January 22, 1990, the announcement of the Presidential Initiative on Rural Economic Development represented a step toward innovation in the federal rural development effort. The cornerstone of the initiative is the creation of Rural Development Councils in each state. Beginning with eight pilot states, councils will be formed with representatives of each department and agency that administers rural development programs within that state. The goal of the councils is to promote cooperation and form partnerships among federal, state, and local governments and with the private sector. Those partnerships can then lead to a comprehensive and strategic approach to rural development, one that takes into account the particular needs and conditions within each state.

Additionally, the recently enacted Rural Economic Development Act of 1990 provides a basis for improved coordination of USDA's rural development effort, by consolidating programs in a newly created Rural Development Administration.

The Act also provides for more significant participation at the state and local level through two newly established pilot programs. The Rural Investment Partnership program will create revolving loan funds in 5 pilot states. These funds are to be used to leverage private and public funds to invest in or guarantee loans to local rural businesses.

State Rural Economic Development Review Panels are also established in 5 pilot states to assess, review and prioritize requests for USDA rural development funds. To be eligible for funding, projects must be consistent with locally-generated, long-range development plans.

Programs to improve infrastructure and enhance human resources are also mandated in the Act, along with a program to expand data collection on rural areas.

A Note of Caution

Both efforts—the State Rural Development Councils and the Rural Development Act—embody recommendations of the Commission. They attempt to improve coordination of programs and cooperation among players and promote the use of strategy in the pursuit of rural development. They are innovative and exper-

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Arthur R. Brown, Jr., New Jersey Secretary of Agriculture.
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Terry L. Murphy, grain producer and past President of Montana Farmers Union.
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Ex Officio

Honorable Patrick Leahy, Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate.
Honorable Richard Lugar, Ranking Minority Member, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate.
Honorable E Kika de la Garza, Chairman, Committee on Agriculture, U.S. House of Representatives.
Honorable Edward Madigan, Ranking Minority Member, Committee on Agriculture, U.S. House of Representatives.

imental in nature. They reflect the new way of thinking about rural development found in the Commission's report. However, these efforts are merely a start. The initial scale of these programs is quite small in terms of number of states participating and authorized funding. And though for the moment rural development seems to be enjoying a higher priority than it has in the past, that status may soon wane. There may be a tendency at the federal level to think that rural development has now been adequately addressed. Attention could shift away before the job is done. As the Commission found, rural development requires not only coordination, cooperation, and strategy, it also requires long-term commitment.

The Commission's report provides only a rough sketch of a rural development policy. The actual blueprint remains to be drawn.

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