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# Rural Development, Euro-Style?

Picture-postcard towns are made, not born: Rural development policy has taken different directions in the European Union and the United States. Could a European-style rural policy benefit rural communities in the U.S.?

photo courtesy Getty Images

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Simple calculations suggest that the best rural development policy is not larger subsidies to agriculture, but the best farm policy may well be greater support for rural communities. In fact, farmers are perhaps the greatest beneficiaries of successful rural community development.

**D**espite past legislation and a multitude of federal programs that currently affect rural areas (pp. 44-45), a coherent and comprehensive rural development policy framework simply does not exist in the United States. Similarly, though history provides examples of attempts to forge state rural development policies, they are decidedly lacking throughout most of the U.S. (Freshwater). Rural constituencies and interests are fragmented and diffuse, a result of vast distance, low population density, and enormous space (Castle). Pair this fragmentation with a stereotypical fixation on the part of many policymakers on use policy — agriculture, forestry, and fishing — rather than territorial policy, and it

becomes apparent why the U.S. has made little progress toward a rural policy framework that fully embraces the diversity of rural America. In contrast, the European Union has emerged as a leader in policy innovations embracing a broad set of activities necessary for rural development.

Initiating and maintaining an adequate public discourse on the topic of a national rural development policy takes personal and institutional resolve and commitment. Implementing a rural policy framework will take political will.

Most rural constituencies are so fragmented that they may not even realize that they share mutual interests, and the organizations that serve agricultural interests in the U.S. have policy agendas that are generally too restrictive to serve a broader rural constituency. As the U.S. considers measures to address rural development, many have suggested that policy innovations in other parts of the world be reviewed for promising lessons. Canada, Australia, and the European Union (EU) all provide such lessons. The purpose of this article is to highlight the experience of the EU with regard to rural policy.

## The EU Rural Policy Experiment

The European Union has taken conscious strides toward the development of a rural policy framework. One might speculate that European farmers and other rural interests have done a better job of winning the hearts and minds of their urban brethren. Perhaps it has to do with the fact that, unlike their American counterparts, most European farmers live in villages, not dispersed on the land. They might thus better understand that commodity price supports do not provide them or their neighbors with a potable water supply or off-farm employment opportunities.

Furthermore, the lifeblood of the tourist economy of many of these countries lies in their ability to preserve their ancient rural villages, farms, and cultural assets, assets that define the cultural identity of many European citizens. European rural development policy seems to be born of a shared sense of values and interests among rural farm and non-farm constituencies as well as urban constituencies. These values also appear to be shared across member states.

Like the U.S., EU rural policy began with agricultural policy, but subsequently evolved beyond agriculture. The Common Agricultural Policy (CAP) was forged in 1970 and largely governed production, processing, and marketing of agricultural products under the former European Commission (EC). By the middle 1970s, European Economic Community (EEC) directives bestowed preferential treatment to agriculture in mountainous and other less-favored areas, with the

purpose of mitigating the exodus of agricultural production and rural population. The rationale was to maintain economic, social, and environmental balance between "winning" and "losing" regions in the rapidly globalizing economy. These directives represented the first explicitly territorial considerations in European agricultural policy.

Policy-makers introduced further rural policy innovations centered on agricultural and economic development as the EU expanded. They committed Structural

Funds to aid in the structural adjustment of regions that would otherwise have been left behind.

In 1987, "The Single Act: A New Frontier for Europe" was introduced as a mechanism to develop a single, unified European economic area. This legislation suggested that the CAP be amended to support rural development and encourage the diversification of agricultural production.

The development of an explicit rural policy gained ground in 1988 when the European Commission presented a report called "The Future of Rural Society" (European Commission Press Release DN: P/88/100)

that provided an initial framework for a comprehensive rural policy.

In 1993, rural areas received further political recognition through a citation in the Maastricht Treaty identifying rural areas as a priority for assistance under the EU policy for economic and social cohesion. Many current EU rural development programs arose from these early policy statements, including programs focusing on development of small and medium-sized businesses, exploitation of new technologies displaying exceptional promise in rural areas, and rural tourism. Insuring access to essential services, protecting the natural environment, and providing appropriate training for rural workers were other important priorities.

In 1996, the European Commission, along with partners at the national, regional, and local levels, met in Cork, Ireland where they developed an explicit statement of rural policy: "The Cork Declaration

– A Living Countryside." According to Franz Fischler, the EU Commissioner for Agriculture, Rural Development, and Fisheries, the purpose of the meeting was to create "one objective, one legal framework, one coherent policy, one program... that is simple, transparent, and efficient."

Cork called for sustainable development in rural areas by introducing more subsidiarity, simplification, and integration in relation to all programs and policies



Don't call them cow towns: The U.S. rural policy framework is strongly tied to agriculture and other uses, as opposed to rural communities.

photo courtesy Clear Window MultiMedia

(please turn to p. 43)

Welcome to ConAgra: Rural communities in the U.S. can be as dependent on the agriculture sector as small cities are on manufacturers.

photo courtesy Clear Window MultiMedia



*(continued from p. 23)*

supporting rural territories. Subsidiarity is arguably the most appealing of Cork's 10 guiding principles, as it suggests that rural development policy should recognize the value of entrepreneurial business and other activity at the local level and make every attempt to harness this energy by fostering cooperation and partnerships rather than mandating top-down directives. However, though the principle of subsidiarity is taken nearly as an article of faith by rural development practitioners and scholars — and is intuitively appealing to rural citizens — it rarely finds expression in rural development policy in either the EU or the U.S.

The Cork Declaration resulted in substantive change largely through the reforms presented in Agenda 2000 ([europa.eu.int](http://europa.eu.int)) whose three main issues are the reformation of agricultural policy, the reformation of structural policy, and additional attention to environmental policy. Reforms in EU agricultural policy made rural development the second pillar in the CAP, the first pillar being to sustain the profitability of agriculture. The Cork Declaration itself did not bring these changes in rural policy. But, the process of drafting, debating, and fixing signatures on the document allowed a meaningful dialogue on rural policy to occur at an unprecedented level.

The Cork Declaration presents a visionary statement of ideals that will take persistence, patience, and political courage to implement fully as official policy. Authors of the Vienna Declaration of 1998 ([www.eeb.org](http://www.eeb.org)) expressed concerns that the approach to rural development policy elaborated in the Cork Declaration is not being implemented to their satisfaction and suggested additional reforms that would indicate a sincere wish to adhere to the principles espoused in Cork even while the European Union expands membership eastward to more agrarian nations. Though Cork has not yet resulted in a comprehensive rural policy framework, one only needs to examine recent reforms in the EU Common Agricultural, Social, and Structural Adjustment policies to find Cork's fingerprints.

Important agents in mobilizing EU rural development policy have been a series of program initiatives — LEADER, LEADER II, and LEADER PLUS. These initiatives foster local groups, who undertake innovative

local projects and create the infrastructure necessary for learning from these experiences. The guiding principle is that local actors must harness a wealth of information, creativity, entrepreneurial spirit, and vested interest in localities, with the resulting local initiatives receiving EU support and encouragement.

### **Could "Cork" Float in the U.S.?**

Though EU and U.S. rural interests share many core values, they are composed of different people who inhabit different places. Given the amount of attention paid to the activities of international trade organizations and rhetoric about the unequal sharing of prosperity between rural, suburban, and urban America, the EU rural policy experience may provide useful lessons for the U.S. The questions of who will convene and who will be involved in the dialogue shaping the federal, state, and local rural policy remain to be answered. The National Rural Development Partnership and the International Community Development Society focused on rural policy during the Joint International Summit on Rural and Community Development ([www.mrs.umn.edu](http://www.mrs.umn.edu)). The new Center for the Study of Rural America at the Kansas City Federal Reserve Bank, the American Agricultural Economics Association, the Rural Sociological Society, and at least one of the EU Centers located in the U.S. have sponsored events addressing facets of rural policy.

Ultimately, the presence or absence of a rural policy dialogue is a test for the presence of shared American values and leadership sufficient to form a rural policy consensus. Some states will likely achieve consensus sooner than the country as a whole. For example, a recent report, "Determining the Future of Rural Nebraska, Recommendations for Economic Development" prepared by the Nebraska Rural Development Commission relies heavily on the Cork Declaration in a proposed policy framework that is intended to guide the "development, implementation, and evaluation of state rural economic development programs" ([www.rdc.state.ne.us](http://www.rdc.state.ne.us)).

Convincing state legislatures and governors, who have by and large been elected and supported by urban interests, to pay attention to the needs of rural constituencies may be difficult unless they can identify with rural needs. The guiding principles expressed in Cork are not totally new concepts. Many of the sentiments expressed in Cork have found expression in the mission statements of organizations that include rural development practitioners and academics among their ranks. Among the key actors likely to contribute to the mix of activities necessary to bring about a set of Cork-like rural policy outcomes are the National Rural Development Partnership (NRDP) and the nation's Land Grant Universities (LGUs).

Though their budgets are continuously threatened, state Rural Development Councils (SRDCs) currently exist in about 40 states. The general mission of these federally supported state level organizations is to develop the institutional capacity to deal with rural issues by nurturing a network of federal, state, and local actors with rural development interests. The NRDP/SRDC nexus

of relationships holds potential to catalyze events leading to a unified voice for a more broadly defined rural constituency. State-to-state differences in the level and nature of existing institutional capacity directed toward rural development determines the specific organizational form and membership of SRDCs. This flexibility allows SRDCs to adapt to the political-institutional environment of states and to play an important facilitating and brokering role on behalf of rural constituents. SRDCs essentially operate in accord with the principle of subsidiarity described in Cork.

LGUs hold potential to support the development of well-informed rural policies and programs. LGUs have the intellectual capacity to assist with the framing of policy issues, the ability to provide a research base of support, a history of addressing uniquely rural issues, and a mission-based obligation to engage rural citizens. LGU administrators can use discretionary powers to direct research efforts toward the creation of knowledge and technologies benefiting rural areas, to encourage the development of curricula to train future rural leaders,



## Milestones in U.S. Rural

1990

- The President's Initiative on Rural Development created the Economic Policy Council Working Group on Rural Development and conceived the National Rural Development Council and State Rural Development Councils.
- The 1990 Farm Bill provided funding for State Rural Development Councils and established the Rural Development Administration as part of the USDA.

1992

- The President's Council on Rural America, chaired by Winthrop P. Rockefeller, released the report, *Revitalizing Rural America Through Collaboration: A Report to the President*. This document reinforced an understanding that the key to successful rural policy lay in building effective collaborations among federal, state, local, and tribal governments, intergovernmental entities, and the private sector. The report recommended interagency coordinating groups and private sector advisory councils at both the state and federal levels.

1994

- Congress commissioned the Government Accounting Office to assess the rural development portfolio of the federal government. Their report, *Rural Development: Patchwork of Federal Programs Need to be Reappraised*, documented the considerable fragmentation of national rural policy, both within the Congress and federal Agencies, and the impact of this fragmentation on rural communities.

and to sustain institutional arrangements and incentives for faculty to develop applied research and outreach programs to address rural issues.

Some have suggested that LGUs adopt the following rural development priorities: take the lead on efforts to close the digital divide, encourage entrepreneurial activity, leverage biotechnology, sustain rural landscapes, and boost human capital (Drabenstott, 1999). Enhanced collaboration between SRDCs and LGU faculty could serve as a catalyst in the formation of informed state and national rural policy.

### Whither U.S. Rural Policy?

Evidence continues to show that farm policy does not effectively address the critical needs of rural territories. With increasing amounts of off-farm employment, fewer farms, and decreasing farm profitability, farm families' livelihoods may be more dependent upon what occurs in the nearby community, state capital, or Washington, DC than what happens in their fields. In spite of this, both commodity groups and general farm

organizations are virtually passive with respect to support for non-farm rural initiatives.

There is limited institutional capacity in the U.S. to support the formation of a coherent rural policy. The role that the NRDP nexus will play in shaping rural policy is uncertain. Though it has a strong nonfarm constituency, it is housed in the Department of Agriculture, where it will likely always be nudged toward the hind tear by its sibling commodity programs. There is little capacity or coherence to rural development scholarship or extension in either land-grant or other state universities that can contribute to rural policy analysis or policy formation.

The emergence of the Rural Policy Research Institute and the Center for the Study of Rural America at the Kansas City Federal Reserve are promising, but have limited capacity and serve mainly as bully pulpits, not action programs. State government agencies with a rural focus, where they exist within state governments, are frequently program-bound and have limited policy analysis capability. There are numerous NGOs, non-LGU state universities, centers, and institutes — but

## Development Policy

1995

■ The USDA underwent a major reorganization that combined the programs of the former Farmer's Home Administration, the Rural Development Administration, and the Rural Electrification Administration and created the Office of Rural and Community Development, with this portfolio headed by an under-secretariat.

■ Rural Development Reform Act; incorporated Block Grants and Rural America program.

1996

■ The Farm Bill included the Fund for Rural America and outlined the Rural Community Advancement Program. However, most funding for these initiatives was stripped to provide emergency funding for commodity programs.

1997

■ Medicare Rural Hospital Flexibility program.

1998

■ Operation Rural Health Works initiative introduced in five states (Kentucky, Missouri, Nevada, Oklahoma and Pennsylvania).



Toward a new policy landscape:  
Academic and non-governmental organization  
circles are beginning to hum with new policy ideas.  
Could the landscape be about to transform?

photo courtesy Clear Window MultiMedia

little effort to bring them together to meaningfully partner with each other.

Given that non-agricultural rural interests are so fragmented stakeholders must work to aggregate their interests into a coherent constituency. The formation of a rural constituency will likely require the concerted efforts of several key players. Could it be that these are assembling? Academic circles are abuzz with dialogue on rural policy. NGOs as well as federal and state government development agencies are showing signs of interest in rural policy. The National Association of Counties recently formed a Rural Action Caucus, which is growing at a healthy clip. Congress has resurrected the Congressional Rural Caucus after a long hiatus.

In events leading up to passage of the current Farm Bill, even U.S. Secretary of Agriculture Ann Veneman released a document suggesting the Bush Administration's views on rural policy extend beyond production agriculture. Many rural stakeholders at the national level have indicated the pressing need for presidential leadership on rural policy issues.

To begin a national dialogue, it has been suggested that the White House implement a Conference on Rural America and forward to the bipartisan Congressional Rural Caucus a recommendation advocating the creation of a U.S. rural secretariat (Johnson, Fluharty, 2001). Gaining the attention of Congress and the President in post-September America to discuss a comprehensive rural policy framework will require even more resolve than that displayed at Cork in 1996. However, it could be argued that a robust, prosperous, and socially cohesive rural America represents at least one arrow in the quiver of Homeland Defense.

#### For More Information

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