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RURAL DEVELOPMENT POLICY AND BALANCED NATIONAL GROWTH

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In my discussion of rural development policy as a contributor to balanced national growth, I propose, first of all, to discuss the content and significance of the Rural Development Act of 1972 and to explain why I believe it is a major and significant step toward a balanced growth policy. Next, I propose to define a national growth policy and the federal role in it. Finally, I propose to explain how rural development can contribute to a national balanced growth policy.

RURAL DEVELOPMENT ACT OF 1972

On August 30, President Nixon signed into law the Rural Development Act of 1972. With this act we have launched national efforts to make rural America a better place in which to live, work, and enjoy life and have taken an important step toward a balanced geographical distribution of population. I do not wish to imply that this act is the answer to our prayers. It is not perfect. For the most part it represents only modest amendments to existing legislation concerning farm credit, soil conservation, agricultural research and extension, and fire protection. Some of its provisions are only indirectly related to rural development.

The \$350 million in new grants plus the new loans and technical assistance which it authorizes stands relatively small in comparison to the \$3.7 billion total of loans, grants, and program funds the Department of Agriculture is currently allocating to these areas. Furthermore, the act does not create any new organizations, governmental agencies, or institutions. Therefore, the funds will probably be administered by existing agencies of the Department of Agriculture.

The overwhelming vote in Congress on the bill does not necessarily mean that all federal agencies are enthusiastic about rural development. Indeed, many agencies are skeptical. This skepticism stems from two basic sources. First, many agencies simply do not understand or appreciate the need for rural development and therefore think the legislation unnecessary. Second, other agencies recognize the need, that is, agree with the goal, but question the means of attaining the goal set forth in the act. We must

recognize this skepticism and take it into account in designing our future strategy.

If the significance of the Rural Development Act does not stem from its conceptual or organizational innovations nor its budget authorizations, where does its significance lie? Its significance stems from the fact that it has drawn attention to and given recognition to a major national problem. By placing rural development on the "front burner," it has opened debate concerning the structure and content of balanced national growth and the general framework for its implementation. It has earmarked funds and designated specific organizations that will have the responsibility for and be held accountable for selected rural development programs. It is an essential step over the threshold toward more substantive progress. This is in contrast to the past when too often the rural development work had to be bootlegged or piggybacked.

Major pieces of legislation are being prepared which have the objective of setting out the specific structure and content of our future national growth policy.

PAST NATIONAL GROWTH POLICY

National growth policy can be defined as a set of guidelines or directions and implementing arrangements useful for making specific decisions at the national level concerning economic growth. Historically, the principal growth objective of the United States has been continental expansion, conquering and peopling existing territory. Implementation of this growth strategy has relied primarily upon individual freedom of choice and private initiative for achieving growth and development, supplemented by a federal immigration policy, financial assistance, land grants, transportation and natural resource development, and military protection. In more recent years, increased attention has been given to regional considerations, especially for lagging regions such as Appalachia, the Tennessee Valley, etc.

PURPOSE OF A NATIONAL GROWTH POLICY

Obviously a national growth policy should promote orderly and balanced growth geographically and by type of development whether it be city, suburbs, small towns, or open countryside. It should also be concerned with the people dimension of growth. It should address the question of the pace or rate of change. It should also reduce program duplication and overlap, eliminate inconsistencies, and foster greater intergovernmental coordination.

One of the key issues is how specific and detailed this national growth policy should be. Should it consist of a federally drawn map of the country indicating which areas should grow or which areas should decline? In my judgment, the national growth policy should not go this far because it would pre-empt the state and local prerogatives and responsibilities, especially in the area of land use planning and zoning. It would not be feasible politically. Of course, the federal government does have responsibility for administering the federal lands and for protecting areas that are unique for their recreational, historical, or scenic value or are particularly fragile ecologically.

FEDERAL ROLE IN NATIONAL GROWTH POLICY

Although the federal government should not pre-empt state and local responsibilities, it should assume a more vigorous and active role than at present. Elements of a strengthened federal role in an overall national balanced growth policy include:

1. Support and encourage state and local initiative.
2. Provide a framework and process for achieving consensus and serve as a mediator for resolving conflicts between the states and regions.
3. Handle problems not feasible or not economical to manage at lower governmental levels.
4. Provide leadership including research, technical assistance, and information.
5. Provide financial support especially to develop institutional capabilities for coping with development and assistance in distressed or low-income areas.
6. Manage efficiently its own affairs and keep its own house in order, for example, by locating federal facilities and contracts in such a manner as to reinforce the overall national policy of balanced growth and to insure equitable distribution of federal program assistance.

The development of a policy to achieve these ends will be a long-term and complex process. Just as the passage of the Employment Act of 1946 did not eliminate the unemployment problem, we would not expect the passage of a balanced growth act to eliminate the problems of attaining balanced growth. But the 1946 act did strengthen the national resolve and heighten sensitivity to the problem. In my judgment, similar benefits would derive from the passage of a balanced growth act.

WHY EMPHASIZE RURAL DEVELOPMENT?

Rural development should be a *separate and identifiable component* of our overall *national policy* of balanced growth. You may argue that such a distinction is arbitrary, tends to create divisiveness, and overlooks the close interdependence between rural areas and the urban centers. Although I see considerable merit in these arguments, I do not fully share them because I believe that if we do not maintain rural development as a separate and identifiable objective, federal attention, assistance, and funds will go to the urban areas and the rural areas will be shortchanged.

GROWTH CENTERS

I have reservations about the growth center strategy wherein federal assistance is concentrated in certain so-called growth center cities on the assumption that concentration of assistance in particular locations will produce a greater "bang for the buck." My major concern about the growth center strategy is that it will serve as a too convenient justification for concentration of federal assistance in the cities to the neglect and at the expense of the rural areas. The size of the growth center cities, although often not specified in the agency regulations, is often specified in the literature as being cities of 250,000 population or more. If such a definition were adopted, millions of rural people would be outside the effective range of access to such cities.

The Economic Development Administration of the Department of Commerce, which has been one of the strongest growth center proponents in the past, is now questioning the effectiveness of the growth center strategy. New studies of census data by the Economic Research Service of the Department of Agriculture also raise some questions about the growth center strategy. They show that there is much less commuting for job purposes from the rural areas to the metropolitan areas than was formerly supposed. In other words, rural and urban areas are apparently less interdependent economically in terms of job commuting patterns than was previously thought. If this is the case, then the spillover and trickle-down benefits to the rural areas from the growth center are also apt to be much less than were previously supposed.

MULTICOUNTY DISTRICTS

There appears to be an emerging consensus that multicounty planning and development districts should form the basis for implementing balanced growth policy in nonmetropolitan counties. I agree with this consensus. It seems evident that to amass the technical expertise and leadership as well as financial support, a combination of rural counties probably will be required. Further-

more, districts appear to be a more effective unit for coordinating federal programs, taking advantage of economies of scale, and providing services.

The role of state government in this context would be establishing and supporting the districts, interdistrict coordination, and priority setting. The federal government has developed direct relationships with the districts, but in close liaison with the state, and will probably need to continue this arrangement.

CONTRIBUTIONS OF RURAL DEVELOPMENT TO NATIONAL GROWTH POLICY

The principal contributions that rural development can make to a balanced national growth policy include:

1. *Equity.* Rural people now are shortchanged in terms of jobs and economic opportunity and do not have equality of access to basic services such as education, health care, etc. This must be corrected.

2. *Environmental Protection.* In the attempt to reduce pollution and improve our environment, we are passing laws and regulations which have the overall effect of reinforcing the status quo and making it much more difficult to redistribute population and economic activity in this country. The only long-run solution to our environmental deterioration problem is a more balanced distribution of population and economic activity, which would lessen environmental stress by reducing congestion and concentration of population. Thus, paradoxically while we attempt through passage of legislation to improve our environment, these very laws and regulations may have the opposite long-run effect.

3. *Efficiency.* There are two sources of potential efficiencies from rural development. First, by slowing the pace of growth of major urban centers, it would reduce the loss attributable to diseconomies of extremely large cities and, second, it would lead to fuller employment of presently underutilized physical and human resources in rural areas.

4. *Choice.* Rural development keeps a broad range of options open. It provides a real choice in where to live and work and enjoy life.

5. *Satisfaction.* Rural development will increase the satisfaction of many of those who now live in rural America and want to continue to live and work productively in rural America as well as those who now do not live in rural America but who would seek to return should they have an opportunity to do so.

SUMMARY OBSERVATIONS

Although the Rural Development Act of 1972 is a good launch of our rural development efforts, there is a long way to go and many questions remain unanswered. A national balanced growth policy is very desirable, but I do not think it is a panacea. I would also stress that the procedure and delivery system by which this policy is implemented is as important as the policy itself.

Historically, federal rural development efforts started with the "bootstrap" approach of the 1950's wherein local people were essentially told to find out what their problems are and do something about them with very little commitment of federal resources. In the 1960's the reverse policy was taken wherein the federal government mounted hundreds of categorical grant-in-aid programs and attempted to solve local problems by passage of legislation and creation of a bureaucracy in Washington. Hopefully, we will benefit from this past experience. Oftentimes, external assistance is needed because local resources are not sufficient to solve the major problems. However, local leadership is the key to insuring the effectiveness of these outside resources.

Generally speaking, I believe the extension programs in rural development are ahead of our research programs. State extension services have 400 plus professionally trained community resource development people in the field. They have made contact with the key citizen groups and governmental organizations that are dealing with rural development. Extension also has accumulated expertise and knowledge on how to organize and assist the community in deciding where it wants to go. One of the major weaknesses is that researchers have not provided extension with the depth and breadth of analytical and technical information and answers to specific and concrete questions that they have provided in the other fields such as commercial agriculture. Today we are not yet able to deliver rural development information in the same concrete and precise way as we delivered other types of information in the past. This causes a number of our friends to question, first of all, the validity of the rural development objectives and, second, the ability of the researchers to contribute in a meaningful way to the attainment of such objectives. Thus, those working in rural development face an immense challenge in drawing together and putting into use the knowledge, the skill, and the concern of individuals of the highest professional competence. I very much hope that this challenge will be accepted enthusiastically and faced squarely.