

The World's Largest Open Access Agricultural & Applied Economics Digital Library

## This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

## Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<a href="http://ageconsearch.umn.edu">http://ageconsearch.umn.edu</a>
<a href="mailto:aesearch@umn.edu">aesearch@umn.edu</a>

Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

## Extension and Rural Communities in the 1990's

George E. Goldman, Economist

Department of Agricultural and Resource Economics

University of California, Berkeley

August 4, 1990

UNIVERSITY OF CALIFORNIA DAVIS

NOV 29 1990

Agricultural Economics Library

For AAEA Extension Pre-Conference in Vancouver, Canada August 4, 1990

## Extension and Rural Communities in the 1990's

Rural communities today are not doing well. There still are significant per capita income differences between urban and rural communities, and there is again, as has been true for the last 150 years, human capital outflow from rural areas. Scarcity of funds in the public sector do more damage to rural areas than metropolitan areas, as they are more dependent on public infrastructure and public services. Rural areas do not have the economies of size that are necessary for everything from cheap consumer goods (e.g., discount stores) to hospitals and public transportation facilities. In the past this was covered by public subsidization or by regulation (e.g., air transportation) which indirectly subsidized many rural areas. During the 1980's both of these mechanisms, subsidies and regulation, were in decline. Even if this makes economic sense for the country as a whole, rural communities suffer. Also, there are again migrant flows from rural areas to urban areas. In retrospect, the rural migration of the 1970's was just an unusual period in a very long history of rural to urban migration.

As a result of these trends, rural communities are in bad shape. Human capital is leaving, infrastructure is decaying, and public subsidies are declining. If we are going to maintain these rural communities they are going to need all the help they can get.

In various states around the country, Extension is carrying on a wide variety of programs that effect rural communities.

Extension is doing, or has recently done, work in:

- 1) local and state finance issues,
- 2) local economic development,
- 3) leadership development for local government and community groups,
- 4) strategic planning for communities,
- 5) small and home-based business education,
- 6) "Main Street" type programs,
- 7) tourism promotion,
- 8) economic base studies,
- 9) studies on the connections between the urban and rural economies,
- 10) rural health care,
- 11) infrastructure maintenance issues,
- 12) land use and development issues,
- 13) water quality issues,
- 14) issues relating to different ethnic populations,
- 15) conflict resolution with community groups,
- 16) "youth at risk" issues, and
- 17) the special problems and opportunities involving the aged.

I'm sure that this list does not exhaust all Extension's rural community programs in all the states.

In spite of all these good program possibilities, in most states, comparatively few people in Extension are working with rural communities. However, there are enough to have a positive effect.

Land grant universities administrations vary from state to state, but many administrations consider working with rural communities pretty low in the struggle for FTE and money. This may be due to the fact that rural communities, as such, do not usually seem to have powerful political supporters in the state legislatures. On the national level, rural communities do seem to exert some moral power.

One of the problems that administrations have, if they choose to devote resources to rural communities, is how to choose among the many kinds of programs listed above. Seldom, if ever, will a state coordinate with neighboring states, when the time comes to develop a job description. But yet, one possible strategy is for neighboring states to cooperate, much as we now have county agents or farm advisors with cross-county assignments.

Administration in the land grant universities, as these universities continue to put high priority on basic research, and a low priority on outreach efforts, will still probably not want to give up their Cooperative Extension turf to other public institutions. These universities do not want to give up an educational function which could be a very strong competitor for funds from the state legislatures. I would guess that many of the land grant universities would rather keep Extension under their thumbs, than allow them to develop into competitors for funds and support. Even the land grants which don't act that way now, as they try to become more like research universities and downgrade their outreach efforts, may act this way in the future.

The cost/benefit ratios on technical agricultural work are high, whereas rural community work, like 4-H work, is much harder, if not impossible, to evaluate. In addition, agricultural groups in many states have strong political lobbies, and rural communities do not. This implies that rural community programs are much more at risk, when its time to cut budgets, than more traditional Extension commercial agriculture programs.

As we go into the 1990's, there are new methodologies and technologies that can be used (e.g., IMPLAN's Input-Output models and Social Accounting Matrices), a more informed view of what can be done successfully by Extension (e.g., better economic development advice), and more effective communication methods (e.g., videos). But there is also competition from other public sector institutions, The idea that and from private sector educational businesses. Extension can or should be privatized still circulates. In addition, we are probably looking forward to relatively declining resources to work with in the 1990's. As an aside, there are two possible scenarios with small probabilities of occurrence, where Extension's work with rural communities could have a large inflow of money. One is, if we have another worldwide food shortage (long run bets are still on Malthus), and the other is if U.S. food safety concerns drive down agricultural productivity so much that there is a clear need to invest in agricultural research and extension. The rush to put more money into Extension work will carry with it money to do work in rural communities.

In the past few years, as noted above, most of the land grant universities have decided to convert even more to being basic research institutions. This has had the result that the Extension function has either been ignored, or else Extension has been dragged down the same basic research road as the rest of the university. I did a non-random survey in preparation for this talk, and stopped when I found that in every state I called, there was the same trend toward making Extension more of a research organization, with all academic staff responsible for some kind of research and publications. Of course, this is not necessarily all bad. But, in many cases, this does have the long run effect effect of detaching, especially state specialists, Cooperative Extension from clientele in rural communities.

One of the best possible strategies to meet these conditions is for individual states to develop rural community programs and share these programs with other states. This has already happened during the 1980's. Examples include the Pulver and Schaffer (Wisconsin) economic development program, small and home-based business education programs, local government fiscal analysis programs, and Leontief input-output analysis. These programs and models have been helpful in all kinds of rural community situations. These programs have frequently been started in one or more states and spread to other states. As an example, we in the west used New Mexico's small small business education program's experience to attempt to get some other western states started doing the same

thing. The Rural Development Centers have been critical to this diffusion process.

One deficiency of such a strategy is that usually states don't go outside their borders in considering new or replacement positions. That is, they don't presently look at the possibilities of complementary programs with neighboring states. It's not natural, for good political reasons, for administrators in any one state to think that way. The other big deficiency of this strategy is that often there is a lack of people in any one state working in rural communities for this kind of model to work effectively. Where are administrators going to find more FTE to carry out even well developed community programs from other states? Usually the only choice is for someone already working in one or more program areas, to switch over to the new area.

My own experience in California, trying to convince my own administration to invest in a small business education program, was discouraging. I thought I had put together a convincing case why it would be a good idea for California's Cooperative Extension to offer such a program: good evidence of legislative support, not interfering with anyone else's turf, etc. The response I got was; why don't you draw up a proposal which would allocate 50% of your time? Since I was trying to carry out a program in local government fiscal analysis, input-output analysis, agricultural land use, cost-benefit analysis and resource economics, I had no desire to allocate 50% of my time to small business education. Subsequently, even though I did assist some farm advisors and home economists to carry out a few small

business surveys and workshops, Extension in California has never really gotten a small business education program off the ground.

Even with cross-state cooperation, with the limited FTE working with rural communities, no, or very few, states can expect to work in all the areas noted above. Therefore, each state or the people working in that state, should carefully mark out the program areas they are going to work in, and let their own state organization, as well as neighboring states, know about these programs.

Another possible strategy is to work with local educational resources, such as high schools and community colleges. These institutions frequently have people interested in working with rural communities. This base lacks the natural research base of the land grant university, which lies at the heart of Extension philosophy. However, it may be possible to work out some mutually acceptable arrangements with these institutions in certain circumstances.

It would also be possible to provide more dollars to the Rural Development Centers for circuit riders to travel from state to state to carry out these programs. An alternative, which is already occurring, is for the Rural Development Centers to fund or carry out regional research which is applicable in all the states in its region.

One of the only times that administration could implement any of these strategies is in the hiring process. But meanwhile with specialists being pushed toward research, and losing touch with clientele, risk losing their positions. If neither of the optimistic scenarios above of world famine or extreme concern with food safety occur, and a budget cut comes down the road, rural community

specialists, with few political defenders, may vanish. This is not a hopeful scenario.

As mentioned above, many of the land-grant universities are now trying to be basic research universities, like Harvard or the University of California. It's difficult for Cooperative Extension to be embedded in an institution that is down-sizing its outreach efforts, and usually tries to shift any budget cuts disproportionately to the outreach effort in order to preserve its perceived essential functions of campus teaching and basic research. Conceptually, it would be much better for Extension to be attached to an institution which saw itself having a serious outreach mission. On the other hand, the importance of the research base connection should not be understated. Embedding Extension in an organization with no research base has its own kinds of hazards.

While I certainly don't hope for world famine or extreme food safety concerns, I certainly hope that one way or another Extension can carry forward its fine traditions of helping rural communities. All things considered however, and I am generally pessimistic by nature, the outlook does not look good.