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RURAL DEVELOPMENT NEEDS AND POLICY - THE UNIVERSITY'S RESPONSE

by

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RURAL DEVELOPMENT NEEDS AND POLICY - THE UNIVERSITY'S RESPONSE

The response of the university to the needs of rural people has been a topic of concern for some time. However, much of the discussion has focused on the response of only a part of the university, namely colleges of agriculture. With rural economic and social conditions changing and new public institutions becoming involved, there is a need to re-examine rural development policy and the university's response to the needs of rural people.

Visibility of Rural Development in the Federal Government

Rural development has emerged in the past five years as a higher priority item in the discussion of domestic public development policy. Conditions have changed somewhat since Senator Hubert Humphrey indicated the following.

> "When we began our efforts two years ago (1971) to get a general purpose rural development law adopted, we were faced with an interesting phenomenon. We found that there was no real organized constituency here in Washington representing the small towns and open country with the exception of the rural electric cooperative and the farm organizations. As a matter of fact, some of the organizations which had traditionally spoken for the people of rural America alined themselves against us." (Humphrey, p. 12)

Whether or not attitudes of the public have changed, some of the more sophisticated interest groups in Washington have become more interested in rural development affairs.[1] Additionally, Federal Government structures in both the Executive and Legislative branches have expanded to include groups with primary interest in rural development policy and program implementation. In the Executive branch there are sections within the Departments of Labor, HEW, and Commerce with primary but specific interests in rural development. The USDA has establishd a National Rural Development Committee and an Assistant Secretariat for Rural Devleopment. There is also an Assistant Secretarys' Working Group that provides some high-level coordination for program activities that involve more than one department. At the Domestic Council level, the Secretary of Agriculture chairs a subcommittee of the Domestic Council on Rural Development. Figure 1 illustrates this structure.

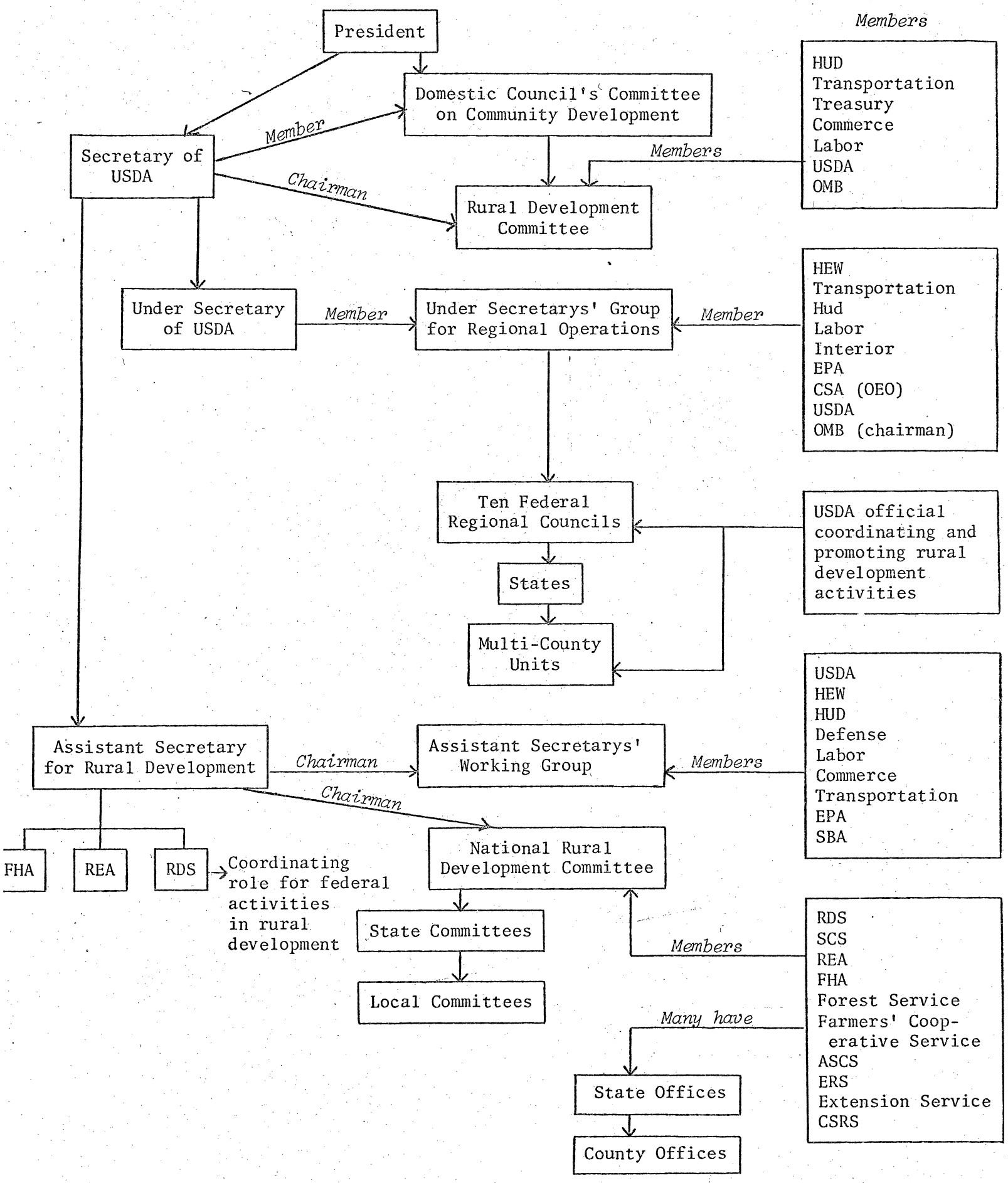

Figure 1. Executive branch structure for the federal rural development program.

On the Congressional side, active subcommittees on rural development of the House and Senate Agriculture Committees have been formed and staffed. There is also a bipartisan group of Congressmen that have organized a Rural Caucus to discuss and develop policy that would increase the welfare of rural people. Whether these structures will be lasting and effective is conjectural. However, it is clear that there is more interest in the Federal government than five years ago and that interest is becoming institutionalized into both the Executive and Legislative branches.

Conceptualizing Rural Development

Even with this increased interest, the difficulty of grasping the dimensions of rural development are as great as ever. This is not surprising. The definitions of the two words (rural) and (development) taken seapartely have long been discussed. One source of confusion arises by trying to define rural development as an academic discipline. There is no well defined body of theory of rural development to draw upon. Rather than a discipline, rural development is a policy goal or ideology in which solutions to problems require treatment from a number of disciplines. The implication is that research progress on rural development problems is more likely to be accomplished by researchers from appropriate disciplines using their developed theory and methods than by people not well founded in a discipline but broadly trained to do rural development research.

Another source of confusion stems from the urban-rural or metropolitan-nonmetropolitan dichotomy. In many cases equating rural with nonmetropolitan is satisfactory. However, this still causes confusion since in 1970 there were 16,412,000 rural people (as defined by the census) living within SMSA boundries. This dichotomy connotes a competition for development of rural areas at the expense of urban or metropolitan areas. This may be a necessary bureaucratic game, but the "U.S. versus them" philosophy tends to be extended to rural development program activities at all levels. A more productive approach would be to conceptualize the U.S. being made up of regions,

most of which contain urban and rural places. The policy goal would be enhancing development of the region considering the relationships among the urban and rural places within the region. Different activities might have to be developed to meet the needs of people in the low density settlement areas of the region as compared to the higher density areas.

Rural Development Needs and Policy

Over our 199 year history this country has employed a variety of public programs and policies that have furthered the development of its less densely settled regions although there has never been a single comprehensive policy concerning rural economic and social development. The effects of past policy related to rural areas has been varied. In general, policies aimed at settling and integrating rural areas were effective, both politically and economically. Policies designed to increase farm production and marketing technology and the economic incentives to produce more food and fiber were quite successful in accomplishing these objectives. Efforts to deal with the labor displacement or poverty problems in rural areas were, for the most part, either non-existent or unsuccessful. Those policies designed to provide essential services were generally more successful than those designed to change the distribution of wealth or to improve the noneconomic quality of human well being. Likewise, those dealing with capital formation have generally had a better record than those concerned with the development of human resources. The effects of more recent efforts such as the Public Works and Economic Development Act of 1965 and the Rural Development Act of 1972 cannot be estimated at this time. (See Kellogg, 1974 for a more detailed discussion.)

Changing Structure and Environment

One must be careful in drawing lessons from the past since economic and social forces are changing the structure and environment of rural areas. A continued focus on improving the efficiency of agriculture will not make much progress toward in-

creasing the welfare of a large segment of people living in the less densely settled areas of this country. The impact of farm programs on rural areas is more limited than previously since in 1970, the farm population was only 18 and 15 percent of the rural and nonmetropolitan population respectively and farm income accounted for approximately 10 percent of the total income of nonmetropolitan people. (Committee on Government Operations p. 2 and 44). Farm programs are important, but they will not achieve rural development goals of increasing income, providing urban services, and increasing choices of living style in many less densely settled regions. Employment and population trends of the 50's and 60's in nonmetropolitan America may have changed significantly, also. In the 60's, a relatively slow population growth and rapid outmigration of employable aged people slowed the growth of entrants into the nonmetropolitan job market. Since the percentage increase in the number of jobs created in nonmetropolitan areas has been increasing, we may be approaching a time when the number of employment opportunities in nonmetropolitan areas will be approximately equal to the number of people in nonmetropolitan areas entering the job market. These new job employment opportunities in nonmetropolitan areas may be of a different nature than previously. Manufacturing job increases were the most important during the 60's, but from 1969-73 growth of jobs in trade and other nongoods producing sectors has now come to the fore. (Beale, 1975)

Beale has reported that the population growth in nonmetropolitan counties was 4.2 percent from 1970-1973 as compared to 2.9 percent in metropolitan counties. This new trend occurred in isolated nonmetropolitan areas as well as those close to large cities in almost every part of the U.S. The most rapidly growing class of nonmetropolitan counties were those with a high inmigration of retired people and those with a major state supported college or university

Rural Diversity

Beside the influences of these changing trends on the need to rethink rural development policy, the diverse conditions and characteristics among less densely

settled regions also require consideration. The concept that rural America is a monolithic structure with similar characteristics and problems is erroneous.[2] Since there are widely differing circumstances, problems and opportunities among rural areas, any national policy will have differing degrees of impact and success among these areas. To account for this, national policy must be flexible and broad to be effectively applied in the variety of diverse situations found. However, when needs of people living in rural areas are discussed, it is usually in terms of specific programs designed to provide for increased farm incomes, employment, education, housing, water and sewer systems, health services and other urban type services. However, implementation of additional farm programs or provision of increased funding for public services and job provision may not address the broader problems of meeting the needs of people living in less densely settled regions. In the following section, three of these broader problems and the common thread that runs among their solutions are discussed. This section draws upon Leslie's analysis of rural development needs.

Broad Problems Relating to Rural Development

First, rural settlement patterns generate problems of scale in the provision of urban type services to rural people. The present physical and institutional technology is oriented for provision of these services in more densely settled regions. When this technology set is applied to less densely settled areas, the unit of cost or producing and consuming these services is often times too high for rural residents to be able to purchase them in quantities felt to be adequate for a quality of life or investment in human capital deemed appropriate. The development of physical technology adapted to less densely settled regions is required to enable these service systems to gain adequate scale so that the real cost of producing and consuming their services can be lowered. One of the more fruitful areas in this regard is that of communication and transportation technology. Parallel to this is the need to develop appropriate institutional forms for less densely populated regions es-

pecially if the services are to be provided by public bodies. To attain the needed scale, bridging institutions must be built that can foster and service intergovernmental cooperation among horizontal and vertical units of government. This bridging institution concept relates to issues other than economic concepts of scale. They have real advantages in a political power sense as well. This concept is valid for solving problems among local governments and their relationship to state governments as well as issues of multi-states relationships with the Federal government. An example of the first level of bridging institution is the sub-state planning and development district while the Appalachian Regional Commission is an example of the second type of bridging institution.

The complexities of today's life and the interrelationships among problems create the second problem in meeting rural development needs--that of scope. This concept refers to the externalities and unexpected pervasive consequences that result from certain actions taken to further rural development. The problem of scope was apparent when the consequences of applying new technology to farming were either not recognized or ignored. The identification of and actions taken to alleviate undesirable consequences of agricultural technology adoption might have improved the welfare of millions of people in the past 50 years.

The primary method of solving the scope problem involves long range comprehensive planning at all levels of activity in rural development--local, multi-county, state, multi-state, and national. Of course, the power of exogenous forces may reverse or change the planned course of development at any of these levels. At this time effective long range comprehensive planning related to rural development must be developed recognizing the resource endowments and conditions in less densely settled regions. Development of new institutional configurations for planning that can attain the required scale for employment of appropriately skilled and trained people that are responsive and sensitive to local problems in an area of institutional innovation that requires attention. Another area needing additional development is

the method of analyzing changes and consequences of actions over time. Methods with less restrictive assumptions regarding objectives, forms of relationships and time dynamics that are capable of including social as well as economic and physical functions are needed to assist in solving problems of scope.

The common thread running through the scale and scope problems in meeting rural development needs was development of technology (physical, institutional, and analytic method) adapted to less densely settled areas' resource constraints. The third major concept in meeting rural needs resulting from this is that of access to technology. Almost by definition rural areas have access problems. Many of the basic technological developments briefly mentioned previously as being necessary to meet rural development needs may have already been developed. However, problems of adaptation to rural areas' resource conditions and adoption of this technology are still substantial. One suspects that alternative transportation systems, health care institutions, communication methods, and other new technologies are being developed and tested inequitably more in urban as compared to less densely settled areas. Therefore, one of the problems is how to achieve access to and adapt the technology that is being developed. The lack of any well-organized, focused political power group working toward development and adaptation of technology to meet rural needs may explain part of this problem. One potential useful perspective that can be taken to analyze this problem deals with the mobilization of group behavior, provision of public goods, and the process by which technological change is induced through public institutions.

It appears then that national rural development policy is too narrowly based on categorical programs aimed at specific needs of rural people. While these programs may be necessary, they do not provide for the development of growth factors in rural development. What is lacking is a broader focus toward investing in technical and institutional innovation based on less densely settled regions' resource endowments that will produce new income streams for rural people, provide accessible services at a lower real cost of production, and increase their ability to cope with changing conditions.

A useful analogy can be made with the experience of attempting to induce agricultural development in other countries by better management practices and increased use of traditional inputs as discussed by Ruttan. The rate of return an average farmer could achieve with these activities was low. When new technology was developed and adapted to relevant resource endowments, steeper response curves became available and the rate of return rose dramatically. These new opportunities needed to be supported by institutional innovations as well. It may be that the gains from "traditional" rural development activities will be slight unless new technology and institutional innovations occur.

Role of the University

The role of the university in working to alleviate these three main problems of meeting rural development needs is crucial, with the structure of the response largely determining the content.

As previously mentioned, solutions to most rural development problems requires contributions from several disciplines. Further, rural development needs are broader than can be met by most colleges of agriculture. People and institutions knowledgable about rural development problems must take the leadership in opening up possibilities for participation of other units within the University that have contributions to make.[4]

The philosophy behind organizing multi-disciplinary research related to rural development is important. Development and adaptation of new technology, institutional innovation and analytic methods will require contributions from creative, well-trained scientists from many areas that have an appreciation for the potential contributions of other disciplines. In general, more progress will be made using this approach as compared to generalists trying to develop solutions to these complex problems. Physical scientists, engineers, political scientists, geographers, regional planners, natural scientists, lawyers and fine arts personnel as well as economists and sociologists ought to be involved.[5]

The specific requirements for success of a multi-disciplinary rural development

research unit are difficult to distill and communicate. It involves the development of a long term, solid commitment of resource- as well as an adequate goal structure, intellectual environment and rewards system. (Mayer)

The content of the work accomplished by these structures should involve the development and adaptation of technology, institutional innovations, and analytic methods toward solving problems of scale, scope and access in meeting rural development needs. This is surely an important part of what the University is about. These developments must consider the resource constraints and endowments of less densely settled regions. Many rural areas have relatively elastic supplies of land and labor, but inelastic supplies of investment capital, production knowhow and trained personnel. These new technologies and institutional innovations must be extensive rather than intensive in the use of resources with inelastic supplies. (Hayami and Ruttan). Since specific problems and resource endowments vary greatly among rural areas, the location of universities serving people in all geographical areas of the country enhance the universities comparative advantages in this endeavor. To effectively identify meaningful problems and develop appropriate technology and institutional forms will require a close association with the ongoing concerns of rural people. Whether most universities have this feedback system with nonfarm rural people and institutions is debatable.

Another important aspect of the universities' content response to rural development needs is the training of people. Since state and local governments and multi-state and multi-county institutions are commanding more resources and taking increasing responsibility in rural development programming, the demand for people trained in rural area planning will likely increase in the future. The structure and content of these educational programs is probably even more difficult to delineate than in the research case. Adult education for those people already involved in rural development is also an important opportunity that should not be overlooked. The same requirement for broad discipline participation is also valid here.

One main area of most universities' responsibilities has not been mentioned--that of extending knowledge off the campus. The reason for this neglect is the belief that the pool of useful knowledge immediately applicable to rural area development is limited in many areas. Until more knowledge is developed and adapted, the productiveness of rural development extension efforts is likely to be limited to a relatively narrow spectrum. Increased demand for more appropriate research by extension personnel may help in developing the needed research base. When this occurs, extension efforts in rural development will need to be built on a wider base and include personnel with different training. than agricultural degrees.

Most of this analysis points to a familiar need for universities--that of increased resources. Some shifting of resources can take place, but the process is slow and quality often suffers. However, there are several access points within the public (and probably private) sector that may have potential for supplying increased resources. As mentioned at the beginning of this paper, several Federal government departments have specific interests in rural development activities. Some of these departments are organized and have some autonomy at the Federal Regional Council level. Private foundations such as Ford, Kellogg, and the Clark Foundation either have or will support rural development research and educational efforts. Multi-state, state, and local public agencies may also be a source of funding for specific projects. However, it is apparent that if we are really serious about rural development, resources on a larger more permanent scale are needed. A national commitment is required to develop the new technology, institutional innovation, and educational programs that will ensure that less densely settled areas share equally in the economic and social growth expected in this country in the future. This will require effective political action by university faculty and administrators, not just agriculture department heads and deans.

My impression is that neither Congress nor the Executive branch is happy with universities' performance in nonfarm rural development activities. To expect univer-

sities to extend technology and institutional innovations for nonfarm rural development for which little specific research funding has been provided is not entirely reasonable. The failure to communicate this gap in research support, shift resources, and agressively pursue additional resources must rest partially with universities.

Summary

Rural development concerns now have a higher visibility in domestic development policy discussion than five years ago. Both the Executive and Legislative branches of the Federal government have formally institutionalized this interest.

Rural development policy must consider the economic and social changes occurring in less densely settled areas. Agriculture programs aimed at increasing the efficiency of production should not be instituted under the guise of rural development. The diverse problems among rural areas will require national policy to be flexible and broad to be effective. Part of this national policy should be oriented toward solving three major problems encountered in trying to meet rural development needs. How can service and good producing systems gain enough scale to operate efficiently yet allow individual rural citizens access to their products? Another problem involves developing effective long range comprehensive planning methods to direct and coordinate efforts as well as assist leaders to anticipate possible consequences of alternative actions through time. New and adapted technology, improved planning techniques, and innovations in institutions that can attain the needed scale and scope of activity are required. These new forms must be adapted to the resource endowments found in less densely settled areas.

Universities have the capability to respond productively to this broader policy focus for rural development. That response must include physical and natural scientists, engineers, and other disciplines that have a history of developing technical and institutional innovations. University personnel also need to be sensitve to the changing requirements for development of human capital to staff new and ex-

panding institutions concerned with rural development. Support for these rural development activities must be stable and long term. Increased output from these activities will enable extension services to be more effective in rural development efforts. However, to be productive in these education and research efforts, a system of information flowing from rural people and instutions back to the university will be necessary.

The design and implementation of effective rural development policies requires a different combination of technical and institutional change. The ability of less densely settled regions to respond to the opportunities for development depends on the capacity for adaptive responses on the part of institutions and on the capacity to transfer, adapt and invent technical innovations capable of generating substantial new income flows or reductions in real costs of goods and services. Universities have a creditable record for achieving this in other instances. Failure to invest in more appropriate research and education can continue to effectively limit rural areas' capacities to respond to new opportunities and changing conditions.

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FOOTNOTES

1. Groups such as the National Association of Regional Councils, National Association of Counties, Chamber of Commerce, National Association of State Universities and Land Grant Colleges, National Governors Conference, and the National Association of Development Organizations now regularly appear before committees lobbying for certain kinds of rural development programs.
2. Population growth, employment growth, type of employment growth, income levels, growth in incomes, poverty levels, changes in poverty incidence, and settlement patterns all vary greatly among rural regions in the U.S. See Kellogg, 1975 for a more detailed discussion of the diversity among rural areas.
3. Not only is long range comprehensive planning not well developed at this time, it has a bad name, possibly well deserved, among many people involved in rural development activities. Acceptance of planning requires meaningful input from and some understanding by the people it will affect. The benefits and costs over a long time horizon of efforts to educate and insure participation need to be carefully considered.
4. A parallel point can be made relative to the assignment of rural development responsibility to the U.S. Department of Agriculture. Rural is not agriculture nor can one intellectually justify the assignment of development to a partial subset of one government department. We have long taught in economic development courses that assignment of development responsibilities to an agency within one department fosters a lack of interest of other departments as well as inefficiency in trying to develop a comprehensive approach to the problem. Maybe we need some foreign assistance in this regard.
5. It is interesting to note the scientific leadership in environmental improvement awareness were natural and physical scientists with economists and sociologists becoming involved somewhat later. In rural development, the opposite seems to be true in that social scientists are mainly concerned and not physical scientists