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Sustaining the Great Plains

The Great Plains—that huge tier of counties extending from Texas to Montana and North Dakota—continues its decades-long decline in population. Changes in agriculture together with a lack of economic alternatives and many of the amenities that drive rural population growth today are responsible. As a result, community services become more expensive to provide, the region's population ages, and future prosperity becomes even more difficult to achieve. Turning the situation around and making the Plains sustainable will require addressing economic, environmental, and social concerns.

A look at the map shows the problem (fig. 1). In spite of widespread population growth throughout rural America, the Plains continue to wane. In a period nicknamed the “rural rebound,” the Plains have little bounce. Long-term trends in the Plains—population in nearly two-thirds of the region’s 478 counties peaked prior to 1950—continue. Over 40 percent of the counties have seen continuous decline over the last 40 years and nonmetro counties in the region lost nearly 223,000 people (see Rathge and Highman, p. 19). The worst losses have come in the most rural, remote counties.

That is not to say that all areas of the Plains are declining. Over half of the counties have enjoyed some growth mixed in with decline over the last four decades, and 8 percent have consistently gained population. But most of the residential growth has been confined to metro counties.

Moreover, the Plains are not the only rural areas in need of assistance. Some rural areas suffer from decades-long poverty and the low levels of health care, education, and housing that go with it, while others grapple with wrenching changes in the economic and societal values that guide the use of the natural resources upon which they depend.

Each of these areas, in its own way, is a potential target for rural development assistance. And the recognition that “one size does not fit all,” though not yet universal, is

catching on. The needs of areas stricken with poverty are not the same as those of areas facing changes in the use of natural resources. Targeting—focusing specific assistance on specific areas with specific needs—is becoming one of the underlying strategies of Federal rural assistance (others being decentralizing decision-making and coordinating/collaborating). As evidence, witness the Empowerment Zone/Enterprise Community program targeted at those poverty areas and the President’s Timber Adjustment Initiative aimed at helping timber-dependent communities.

As for the Plains, targeted attention is not new. Committees formed by Presidents Roosevelt in 1936 and Eisenhower in 1957 searched for ways to overcome the hardships faced by farmers trying to survive in the harsh, dry conditions of that region. Today the “Great Plains” issue is more complex, as illustrated by the work of a third committee—the Northern Great Plains Rural Development Commission appointed in 1996. In spite of all this attention, rural areas in the region continue to lose population.

Why Is the Region Losing Population?

Population change is a function of migration and natural increase or decrease. Unfortunately for the Plains, many of its rural areas are losing on both dimensions. Not only are more people going than coming, but a population aged by the loss of young adults now has more deaths than births.

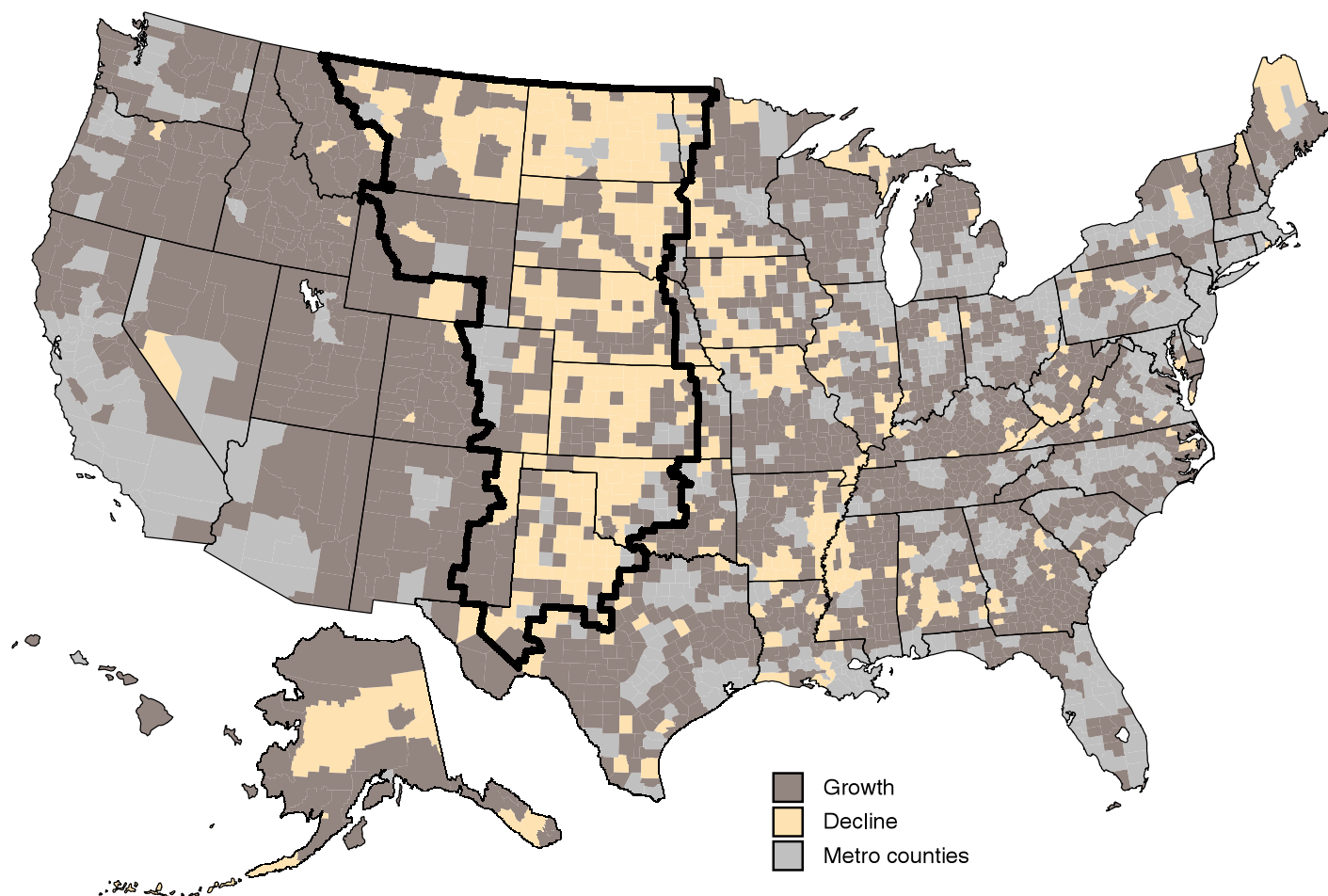
Outmigration. The one-word explanation for outmigration is jobs. Job opportunities in the Plains are limited.

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Figure 1

Nonmetro population change, 1990-96

Population decline in recent years has been disproportionately in the Great Plains



Source: Calculated by ERS using data from the Bureau of the Census.

Therefore, people—especially young adults—leave to find work.

The lack of jobs is explained partly by the region's dependence upon agriculture (fig. 2). A strong link between agricultural employment and population decline has been observed by numerous researchers. In fact, Rathge and Highman (in this issue) found agricultural employment to be the most important predictor of population change in the Plains. According to their study, nearly two-thirds of the counties that lost population at rates exceeding 10 percent per decade for the last 40 years had over one-third of their total employment in agriculture. By comparison, no counties that had continuous growth and less than 10 percent of those that had mixed growth/decline had levels of agricultural employment that high. This link is due pri-

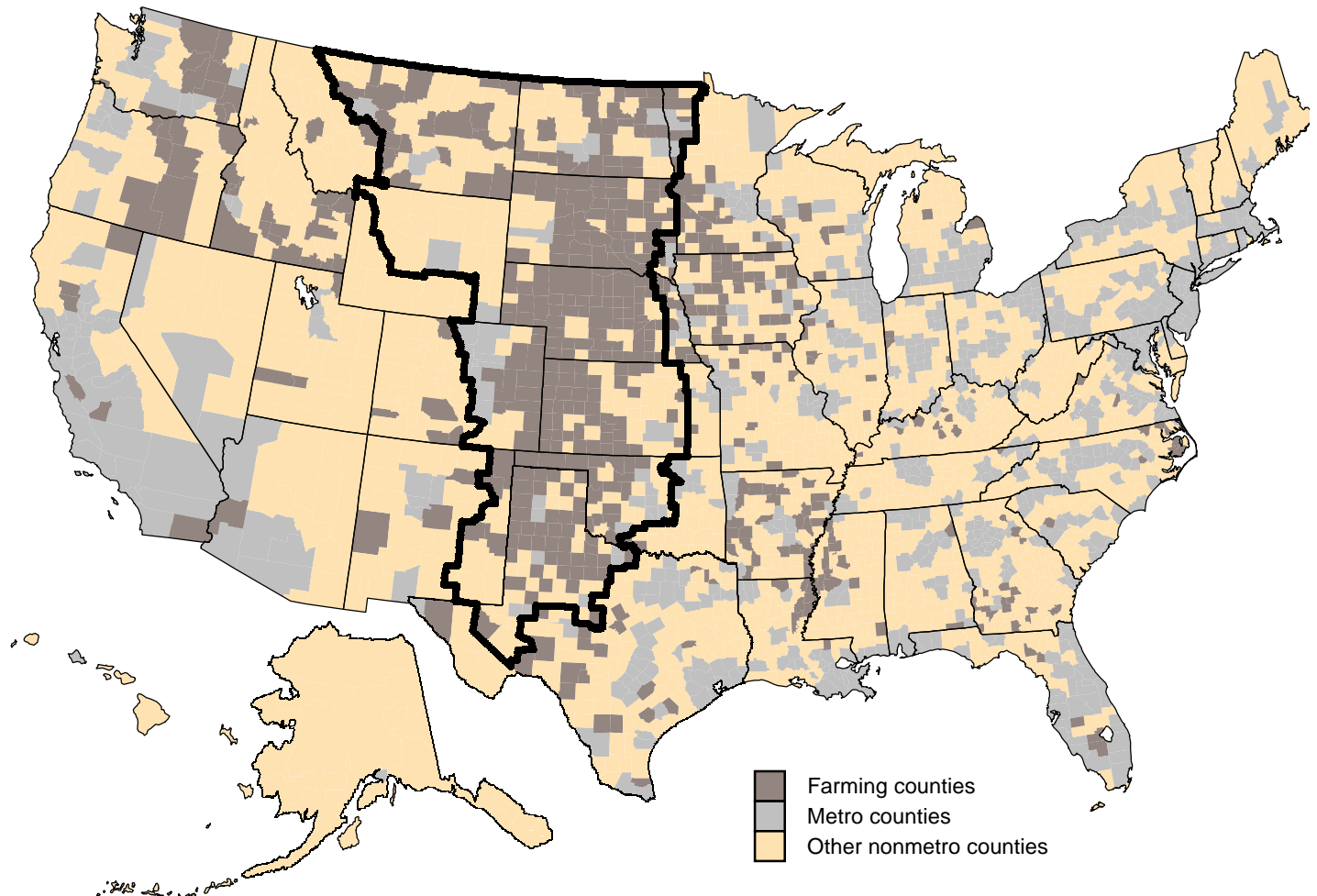
marily to the reduction of demand for farm labor at the hands of improving technology.

Other researchers (see Cromartie, p. 27) have noted that downturns in the region's mining industries also contribute to outmigration. And still others (see Adamchak and others, p. 46) have concluded that population decreases in the rural Plains have led to reductions in retail and wholesale trade jobs. Those reductions in jobs, in turn, lead to further outmigration.

Immigration. As for immigration, surveys show that a large proportion of Americans would prefer to live in small towns and rural areas. And with improvements in transportation, information, and communication technology, Americans are increasingly able to act on that prefer-

Figure 2
Nonmetro farming-dependent counties, 1989*

Farm-dependent counties are centered in the Great Plains



*Counties with 20 percent or more labor and proprietor's income from farming, 1987-89 annualized average.
 Source: Calculated by ERS using data from the Bureau of Economic Analysis.

ence. The preference seems to be based largely on the amenities that exist in many rural areas. These amenities range from the natural (mountains, water, mild climates) to the cultural ("small town lifestyles" and the perception of lower crime rates, friendlier attitudes, and higher quality of life). And while the Plains may have plenty of the latter, the former are decidedly missing. And rural counties with the former are growing the fastest.

The Results of Depopulation

Near-empty classrooms, boarded-up shops, and vacant houses are the visual images of depopulation. But with those images come a host of interrelated problems. As

working-age and work-ready people leave the area, many of the people left behind are too old, underskilled, or undereducated to find work elsewhere. Consequently, they comprise a workforce that is relatively unattractive to a relocating business and relatively ill-equipped to start their own businesses.

At the same time, the per capita costs of providing services, such as education, utilities, and health care, to the remaining population and the per capita tax bite to pay for those services go up. Finally, the in-place investments or sunk costs (of infrastructure and housing stock, for example) can become stranded. Unable to pick up and move, this under-

used capital represents a loss to its owner—the taxpayer on public investments, business on capital equipment and real property, and the private citizen on real estate.

These factors can individually hinder attempts to revitalize a community; they can together present nearly insurmountable challenges.

What Can Be Done?

From a free-market point of view, the depopulation of the Plains is a perfectly rational response: People and capital leave the region in search of better returns to their labor and investments. Thus, not only is governmental intervention not required, it is inadvisable. If the market works, better for the country to leave it alone.

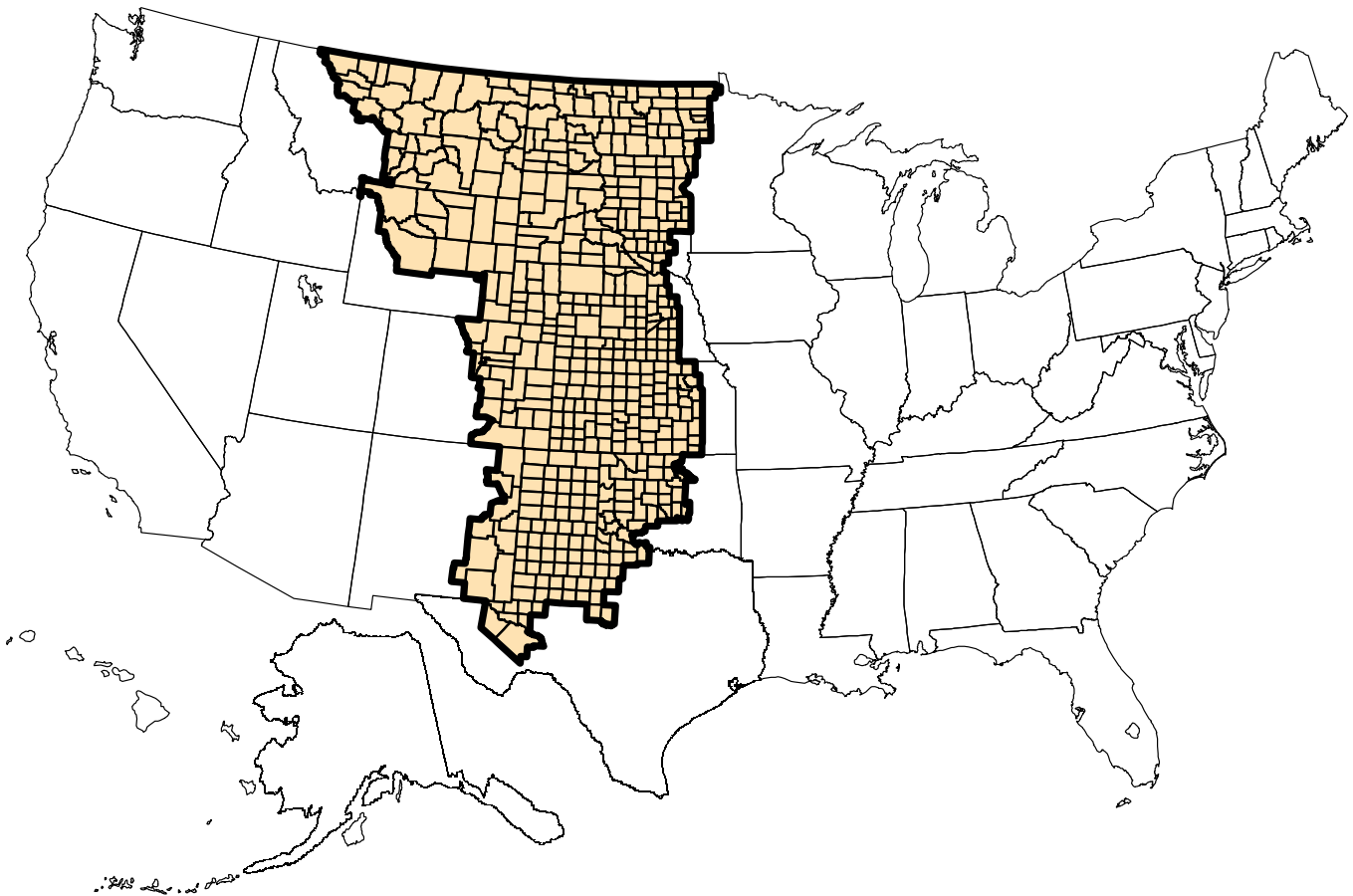
What Is the Great Plains?

The Great Plains is the continental slope of the west central United States, east of the Rocky Mountains. It is bounded on the north by Canada and on the west by the Rocky Mountain front. Its eastern and southern boundaries are more arbitrary, and various versions of these borders exist, depending on the premises used. In general, areas included in the Plains have lower and more erratic rainfall, sparser population, less timber, and less suitability for corn, cotton, or other crops without irrigation or periodic fallowing of land than do those to the east. The eastern boundary often lacks a sharp visible physical border. The region narrows to the south, in part abutting the Texas hill country. Most of the boundaries used here were taken from delineations shown in Donald L. Bogue and Calvin L. Beale, *Economic Areas of the United States*, Free Press, 1961. The region is generalized to county lines for research purposes. As here defined, it includes 477 counties (plus 1 county equivalent, a part of Yellowstone National Park in Montana), having about one-fifth of all U.S. land area outside of Alaska. This is larger than some other delineations.

Figure 3

The Great Plains

The Great Plains has 478 counties in 11 States



Source: Produced by ERS.

On the other hand, few would argue that a completely unfettered market does or should exist in the United States. In fact, one could argue that settlement of the Plains was induced by and has been maintained by subsidies (railroad land grants and agricultural commodity programs) that interfered with the workings of the market.

From a policy perspective, that particular debate is moot. Successful justification for Federal assistance to the Plains, or rural areas in general for that matter, is not likely to be cast in economic terms—"Is it necessary for national economic health or security?" That case is difficult to make and the evidence is less than convincing. Instead, the strongest justification seems to lie in the desires of the American people and their representatives to achieve some semblance of economic equity and to sustain some level of rurality and the amenities that accompany it. Precise definitions and quantities of equity and rurality, however, are hard to come by. Even harder to come by are clear and logical means to achieve them.

What precisely do we hope to achieve in the Plains and how will we achieve it? As with many things, the answer depends upon whom you ask. To many, stemming depopulation by creating jobs is not enough. Their goal is not simply to sustain rural communities in the Plains. Their goal is to sustain agricultural communities. The desire or perhaps even instinct to preserve one's homeland and one's way of life is understandably strong. And it is tempting to think that replacing lost agricultural jobs with new agricultural jobs will fix the problem. But given the long-term trends in agriculture, such as improved production technology, increasing competition, and changes in policy, the prospects for increases in agricultural employment are low—in the Plains and elsewhere. Nor is the potential for success increased greatly by turning to value-added agriculture and relocating food processing facilities to the farm. While agriculture and value-added agriculture will almost certainly play a part, sustaining rural communities in the Plains will require something more, something else.

Exactly how much more and exactly what else is still in question. Defining sustainable communities on the Plains, or anywhere else, is relatively new territory. Work on the subject is proceeding in a variety of places—the President's Council on Sustainable Development, USDA's Sustainable Development Council, the Joint Center on Sustainable Communities sponsored by the National Association of Counties and the National Conference of Mayors, to name a few. And obviously the most important work to be done in defining sustainable communities will be done in the communities themselves.

What, if anything, then, can be said at this time and from the national level about the path to sustainability for rural communities on the Plains? At least this: While economic development is only one of the three legs upon which sustainability stands (the other two being environmental protection and social equity), it is nonetheless an important part and one that we can measure. Thus, while we are moving to devise new sustainable criteria and indicators that encompass all three dimensions rather than simply aggregating criteria and indicators from each, it is nonetheless useful to look at the Plains through an economic development lens.

What will it take to make the Plains economically sustainable? In fact, the Plains are not very well-positioned to be economically sustainable or competitive in the years ahead. They lack many of the characteristics and assets of rural communities likely to succeed:

- Natural amenities that are drawing retirees, recreationists, and lone eagles (those entrepreneurs who can work anywhere there is a fax and modem),
- Connections to urban centers—the engines of global commerce,
- A diversified economy that can provide stability when one or another industrial sector lags, and
- Economies of scale (industrial and municipal) that reduce per unit costs and increase productivity.

Admittedly, nothing can be done about the first. Beautiful though the Plains may be to some, they lack the moderate climate, mountain scenery, and shorelines that draw large numbers of people. The other "milestones to economic sustainability," however, are important and costly if ignored. Therefore, efforts to promote sustainability will have to address them while taking into account their counterparts on the environmental and social dimensions.

For Further Reading . . .

Northern Great Plains Rural Development Commission, *Final Report*, Mar. 1997.

David Brown and Glen Fuguitt, "Residential Preferences and Population Distribution" (unpublished paper, 1997).

President's Council on Sustainable Development, *Sustainable America: A New Consensus for Prosperity, Opportunity, and a Healthy Environment for the Future*, 1996.