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# A European Perspective

## 12 Impressions of Rural America

*The author, a European Economic Community (EEC) official, traveled extensively throughout rural America for two and a half months in 1991 as part of an Eisenhower Exchange Fellowship. Intentionally avoiding purely factual descriptions, he presents his 12 impressions of rural development in the United States.*

**T**HE understanding one can gain about rural development in the United States in a mere two and a half months is limited. In-depth knowledge of rural problems, strategies, and policies in such a short time is impossible. Still, with the help of Federal and State government officials, academics, field-workers, farmers, private sector executives, and rural dwellers acting as tour guides, I was able to glean the 12 impressions discussed below.

### 1. The Availability of Space

The great availability of open space and the low density of population, which are typical of the United States (at least from the European point of view), coupled with minimal government interference with private property, have produced a certain carelessness in the use of land and a lack of stability in the relationship between local communities and their surroundings. The size of the country and the scarcity of population, even in fertile and temperate regions, are striking. There are 250 million people—100 million less than the 12 European Economic Community (EEC) member states—living in an area that is four times bigger than the entire EEC. California, the State with the largest population, is one and a half times the size of Britain, yet it has only half the population of Britain. Physical features like these are perhaps among the reasons for the generalized lack of regional planning or zoning policies and for the temporary nature of many individual and collective settlements, especially in rural areas. In the frontier tradition, space has been considered an endless resource. Only now, under pressure from environmental groups and regional planners, are Americans realizing that land, however extended, is limited and cannot be wasted. Regional or territorial policies, as opposed to policies addressed to special categories

of people, are very uncommon in the United States. Of the Regional Commissions set up during the "Great Society" policies of the 1960's, only the Appalachian Regional Commission survives today.

### 2. A Tradition of Minimal Government, Yet a Public Machine Which Is Extremely Intricate

As is known, the U.S. tradition of government is one of "laissez faire," minimal interference, low public funding, abhorrence for "social engineering," and no recognized responsibility for the welfare of the population in general (other than distressed or deserving categories of people). What is interesting to note is that, while this conception of government still commands widespread support and is recognized as being typical of the United States, there is increasing awareness of the need for greater public involvement and increased government responsibilities at a time when the availability of public funds is declining. This contradiction is particularly visible at the Federal level.

Little government is not synonymous with simple government. I was struck by the extreme intricacy of the public administration at all levels. The degree of specialization, the technical competence, and the personal commitment of civil servants are generally remarkable. Yet, horizontally there is surprisingly little coordination among departments at the same level of government, sometimes even within the same department, for the conception and implementation of policies (with resulting duplications, conflicts of purposes, or loss of possible synergies). Vertically, the problem of "intergovernmental" relations among the Federal Government, State, and the various types of local government units seems of staggering proportions, with a confused division of responsibilities based more often on happenstance than efficiency.

The fiscal system itself is organized in such a way to make coordination of public policies and expenditure the exception rather than the rule: the power to tax

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and the corresponding power to spend tax-generated revenue are vested in all levels of government, but no redistribution or equalization arrangements exist, so that counties or towns with weak economic bases are often unable to raise the money necessary to carry out those development policies for which they are responsible, and which no other level of government will finance in their place.

This state of affairs (little but intricate government, insufficient coordination, hostility to redistribution policies) is of course a major handicap for any cross-sectoral, integrated, and regionally targeted development policy—especially for rural development. The response at the administrative level—known as the National Initiative on Rural America—is an attempt to coordinate policies at the Federal level within and among departments.

### 3. The Mushrooming of Private Initiative

This distinctive feature of American society is of course present in the rural development arena too, with countless private nonprofit organizations, research institutions, and universities involved not only in academic activity but also in practical projects and technical assistance to local communities. These activities are being financed primarily by private sources (foundations, corporations, even private persons) and followed and encouraged by educated, responsible, caring communities. This is a great asset, a great strength, and an enormous capital resource (both human and financial) for rural development in the United States. Put together a private organization with an idea, a university department with research capability and a foundation with the money, and any project can be put into practice. Rural America is a vast laboratory where hundreds of innovative demonstration projects of all dimensions are being tried out, studied, and duplicated.

### 4. Opportunities for Partnership

Minimal government and private initiative combine to provide enormous opportunities for partnerships of varying kinds. Yet, here again, the problem of coordination (and of the circulation of information) comes up. It seems to me that little is being done to draw general lessons from individual research or pilot projects, to spread information about them, to network between projects carried out within the same foundation program, or *a fortiori* between (sometimes competing, often geographically distant or diverse) different foundations, universities, and State agencies.

Consequently, one can draw the impression that an enormous capital of experiences, innovation, and ideas is underutilized; and that there is a vast potential of theoretical and practical research largely untapped and

on which a certain systematization of experiences, some general doctrine, and a more uniform approach to rural development could be based.

## 5. No Rural Policy

As a first conclusion of what I noted above, I am inclined to state that there is no such thing as "U.S. rural policy," meaning by this an integrated body of legislation and/or programs that, with all due allowances made for wide regional differences, would address rural problems in the same way across the country with appropriate procedures and adequate funds.

This situation can of course be criticized on a number of accounts, as indicating a lack of political priority for rural development, perhaps a lack of sufficient intellectual systematization of the issue (or a lack of systematization which is sufficiently generalized throughout the various levels of administration), a lack of adequate public financing, insufficient utilization of the enormous potential offered by research and projects carried out by private organizations and foundations.

Yet one may wonder what would happen to the spontaneity of existing initiative, the flexibility and imagination of individual projects, the smoothness of management of local development programs, the wealth of ideas coming from the rural communities themselves, if all this were to be encapsulated into some sort of "Federal Support Framework" and implemented through bureaucratic blueprints.

Clearly, the absence of such a thing as a "U.S. rural policy" can be explained by referring to a tradition of politics and government based on finite issues, tackled one at a time, rather than beliefs that each individual, each local community is responsible for its own success or failure. But perhaps this situation also points to a new conception of the role of government in economic development—one where public agencies are seen as "facilitator," catalyzers of private or collective initiatives, providers of technical assistance and funding only to the extent that is necessary to match and enhance the promoters' own effort, rather than as deliverers of prefabricated schemes containing all the "good solutions" to the problems.

## 6. An Emphasis on the Development of Human Resources

Since rural development depends, in the United States more than in Europe, on the individual or collective initiative of rural dwellers themselves, there is a general consensus that priority be given to education and training. All Federal and State agencies (not just the education and labor departments) have schemes for the development of human resources. Many private busi-



USDA/Economics Management Staff

nesses and college departments have been able to turn the provision of know-how and technical assistance in the field of human resources into a profitable activity. Programs range from such basics as vocational training or functional literacy to more specialized domains such as "leadership training" or training for women (diversification of activities in rural areas often means creating employment opportunities for formerly unemployed housewives, but this requires teaching them the necessary skills and responding to very specific training and organizational needs: first and foremost that of child care).

One of the most original, and at the same time intelligent programs for human resource development which I encountered is one devised by a private, nonprofit organization in North Carolina that teaches high-school students in the poorest and most disadvantaged rural areas in the Southeast how to set up their own company and actually helps them to do so (with capital grants and other forms of assistance). When students graduate, they already have their own small business (a launderette, a fast-food place, a recycling unit) and the basic skills to run it. This way, young people with little or no prospect of pursuing their education after high school start their working life with a mentality of job creators rather than job seekers.

If it is true that in the United States both government and private organizations give much more importance than Europeans do to the human component of rural development, there is a certain contradiction between this intention and reality. Reality is still marked by a locally funded and managed school system resulting in profound inequalities in the "supply" of education (both in quantity and quality) between school districts

depending on their size, wealth, population, and location. Poor, remote rural areas often can offer only the bare minimum. Such a parochial public school system simply does not offer equal opportunities to all. The States are indeed spending quite a lot of money on programs aimed at the equalization of school conditions, or consolidation and rationalization of school districts, but they are often faced with strong resistance on the part of the very same rural communities jealously guarding their autonomy.

### 7. Small Scale of Achievements

The low profile of government, the role of private initiative, and the emphasis on leadership lead to the conclusion that in the United States (more than in Europe) rural development begins at home (it is a matter of self-reliance and it must be based on home-grown human and natural resources). This grassroots approach is of course "classical theory." The trouble, though, is that small-scale community efforts can produce only very small achievements, often purely sectoral or related to quality of life rather than economic issues. ("Town beautification" is the easy thing to do, and rural or pioneer museums abound.) Small communities lack the critical mass necessary to start a development cycle and create employment. Still, I found little interest, in thinking at least "county-wide," in planning global and integrated development strategies, and in ensuring continuity.

### 8. Importance of Research

The amount of research and publications on all sorts of rural issues is staggering, as is the very close interrelationship between research and action. Programs and

projects are thoroughly researched and rehearsed (in pilot projects) before being implemented, and implementation is usually well monitored and evaluated. The division of labor and the various forms of partnership that exist between the public and the private sector, the land-grant universities, and USDA's Extension Service provide an enormous capital of knowledge that is directly available for policymakers and managers. Feedback between research and practice is continuous. Program implementation is evaluated on the basis of what happens on the ground, not purely in terms of budget consumption.

### 9. The Environmental Dimension

Environmental issues have acquired a growing importance in shaping rural and national economic development agendas. Public opinion pressure or the aggressive lobbying of environmental groups on such issues as waste disposal or the protection of endangered species against attacks on their natural habitats may force decisions upon policymakers and have dramatic consequences in terms of employment and land use. Tens of thousands of jobs in forestry and forestry-related industries (and with them the economic viability of entire communities) are threatened as a consequence of court decisions based on the Endangered Species Act and the spotted owl. Similarly, the availability of water for irrigation in the Columbia River Basin is at stake because of the damage done to the Pacific salmon.

A new political agenda for land use and resource management is being forced upon State and Federal legislators, executives, and courts by environmental and other lobbies using all the legal and political instruments that are available to bring their concerns to the forefront.

Apart from the serious institutional problems that are raised, what is worrying is the opposition being created between environmental protection and economic development, the former being presented not only as an external limit to the latter, but also as an absolute good placed outside the reasons of economics. In an attempt to reconcile environment with development, agencies with rural responsibilities try to encourage an environmentally conscious use of resources, or what is known as multiple (not just productive) use of natural goods including tourism, outdoor sports, wildlife watching. But the idea of rewarding farmers and rural dwellers in general out of public money for positive services in the field of environmental protection is not now being considered.

In agriculture, the farm legislation now in force encourages environmentally friendly farming through a voluntary, contractual, and incentive-based approach

that is politically more acceptable than the purely regulatory approach favored by the environmentalists. In specific cases, however, cross-compliance (subjecting the benefits of a commodity program to a not necessarily related environmental performance or standard) is increasingly gaining ground and political acceptance.

The National Park Service offers another example of how increasingly difficult it is to reconcile the environment with economic development. National parks, splendidly organized like open-air museums offering all sorts of leisure and cultural activities for the enjoyment of their beauties, attract millions of visitors from the United States and abroad every year, thus contributing to employment and economic development in the area while fulfilling their primary role of natural conservation. Yet, the pressure of tourism and related human activities in the most popular parks now threatens to destroy those very natural beauties which the parks are designed to protect. That danger raises problems of sustainability and ecological balance and strengthens the arguments to withdraw all human presence from national parks and return them to wilderness.

### 10. Interest in European Examples

Curiously enough, the land of private enterprise turns to Europe and shows great interest in European experiences in the fields of entrepreneurial development, assistance to small and medium-sized businesses, and networking among enterprises for the provision of technical and commercial services. This interest is linked to the "three waves" theory, which is used to describe the evolution of local economic development strategies in the United States. The first wave (1935-60) was marked by the States trying to "recruit" out-of-State companies with the offer of incentives (State aids, fiscal exemptions, lax labor and social laws) to attract their branch plants. The second wave (1960-80) was characterized by sector-specific, top-down State and Federal programs for development. During the third wave (from the 1980's onwards), which corresponds to a phase when government has at the same time more responsibilities and less money to spend, public authorities are seen as "facilitator," stimulators of bottom-up development, providers of technical assistance, and sponsors of networking arrangements among businesses. European experiences—such as the provision of technical or commercial assistance to small and medium-sized enterprises (SME's) in northern Italy and Denmark, the organization of marketing and exports by regional agencies in France, and the organization of training in Germany have been studied and quoted as examples to follow.

It is worth remembering, however, that networking among SME's and the provision of services to them via

semipublic agencies has worked well in certain regions in Europe where certain basic conditions were met, such as a strong and diversified economic base, a tradition of cooperation or cooperatives among producers conducive to sectoral alliances rather than relentless competition, and a tradition of public involvement in business.

If the first condition is easy to meet in several (not all) U.S. rural areas, the second and third conditions are rather alien to the American mind. This probably explains why European experiences have fascinated researchers but have not given rise—so far at least, and from what I was able to see—to any significant duplication in the United States.

### 11. Importance of a Vast Internal Market

The economies of scale, the relocation of businesses, and the restructuring of industries brought about by a vast internal market do not always play against rural areas. When location is less important than access to communication—and when the latter has the excellent quality standards of the U.S. air transportation and highway systems, its public and private postal services, and its telecommunications—rural areas have distinct competitive advantages to offer for the development of service industries: rural amenities, an unspoiled environment, and a less demanding labor force. Even among manufacturing companies, some are basing their mail-order, accounting, reservations, and customer service centers in rural areas, away from the production units. The same is true of certain liberal professions (lawyers, consultants, and specialized journalists). The use of a single language and the uniformity of the American market are of course assets that we do not have in Europe, but the lesson here is that a vast internal market is an advantage also for rural areas if they are not excluded from the continental networks of communications (especially telecommunications).

### 12. Marginal Role of Agriculture

Agriculture as it has developed in the United States has but a marginal role to play in rural development. Indeed, agricultural adjustment and policy reform are at the roots of American concerns for rural development, but today's agriculture—relying less on natural resources and more on technical progress and upstream/downstream integration—seems less and less capable of bringing wealth and development to the people and communities who work in the farming sector. (I saw striking examples of this in California and Washington State, where the success of the farming sector is based on the hard and poorly rewarded labor of a large population of Hispanic migrants or seasonal workers.) Apart from farms producing basic



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commodities, family or medium-sized farms find it difficult to have access to markets. The U.S. market (and the world market) of agricultural products is dominated by giant purchasers looking for large quantities, standard quality, low prices, and continuity of supply, all conditions that are difficult to meet for family farmers with no history of cooperatives or producers' organizations. Attempts to create marketing cooperatives or local farmers' markets for direct sales to consumers have only a marginal impact, and as a result more and more family farms are simply squeezed out of the market.

As agriculture is becoming an industry like any other manufacturing industry, its contribution to rural development must be assessed in terms of jobs created or maintained, or wealth produced and reinvested in the community, or its effects on the environment. On the basis of these criteria, it is easy to see that agriculture as an industry is at best neutral for rural development (if not counter-productive). On the other hand, agriculture as a way of life can still offer a viable prospect for individual farmers in local communities who have made a cultural choice ("return to nature" folks), who have found particular niche markets (quality or organic production) or, more prosaically, who can rely on supplementary sources of income. However, its generalization to the whole of rural America, or attempts to marry "agriculture as an industry" with "agriculture as a way of life," as advocated by theoreticians of the return to the family farm and sustainable agriculture, seem to me to require political decisions that are far away from the mainstream of U.S. agricultural policy-making.