



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

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
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*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.*

The Search for Effective Rural Policy: An Endless Quest or An Achievable Goal

Agricultural Economics Staff Paper # 436
November 9, 2002

David Freshwater and Eric Scorsone¹

University of Kentucky
Department of Agricultural Economics
400 Charles E. Barnhart Bldg.
Lexington, KY 40546-0276

Phone: 859-257-5762

Fax: 859-323-1913

<http://www.uky.edu/Ag/AgEcon/>

Dr. Freshwater may be contacted by e-mail at dave@rural.org;

Dr. Scorsone may be contacted by e-mail at: escorson@uky.edu.

This publication has not been reviewed by an official departmental committee. The ideas presented and the positions taken are solely those of the author(s) and do not represent the official position of the Department of Agricultural Economics, the College of Agriculture, or The University of Kentucky. Questions should be directed to the author(s).

The Search for Effective Rural Policy: An Endless Quest or An Achievable Goal

David Freshwater and Eric Scorsone¹

November 9, 2002

Executive Summary

To date, the United States has failed to articulate a coherent and effective national rural development policy. The federal government, with a few exceptions, has focused primarily on a sector based policy that has only indirect, and at times weak, impact on rural America. State governments, once championed as the key to effective rural policy, have also failed to move beyond their traditional areas of focus in, education, corrections, Medicaid and other state services. No obvious forum or arena in which federal or state governments can carry out a national rural development policy other than as an afterthought of other policies and programs has developed, nor is one visible on the horizon. We believe national development can only come about through the aggregation of successful local development initiatives.

The sheer diversity of rural America, from agricultural communities to manufacturing intensive places or retirement destinations, makes it difficult for states or the federal government to create and manage a coherent set of rural development policies. At the same time, many parts of rural America continue to suffer from economic and social disparities with the rest of the nation and have become increasingly dependent on federal and state transfer payment programs. National rural development policy has been unable to adequately take these and many other factors into account. Federal and state governments must rethink their role in rural development policy. These levels of government, rather than creating and managing large government programs, can provide support through block grants, fiscal and regulatory flexibility and technical assistance.

A new rural development policy must accept that the progress is incremental and that change must be based on a broad coalition of support. This means that we have to move from top-down to bottom-up approaches. Local governments represent an important piece of the rural policy puzzle and the revival of rural America. Rural cities and counties are best positioned to address the needs of rural America, but have been hampered in the past due to state restrictions on revenue raising capacity and expenditure limitations. Many analysts now believe that rural development policy can be carried out more effectively by local governments enacting positive changes in their community to revive economies and reduce disparities. The large number of local governments and overlapping jurisdictions implies that rural city-county partnerships must be the foundation of nationally-based rural development policy.

¹ Professor and Assistant Professor, Department of Agricultural Economics, University of Kentucky, Lexington KY. This is a revised version of a paper that was invited for presentation at the Nebraska City, Nebraska RUPRI Rural Policy conference Rural Matters, October 2002. Helpful comments of discussants at that conference are gratefully acknowledged.

The Search for Effective Rural Policy: An Endless Quest or An Achievable Goal

Like others we believe that a new policy vision is required for the development of rural America and that partnerships will play a central role in this new vision. Our perspective is that a critical missing element is an articulation of how the partners in this process should organize their effort. Forming partnerships of various kinds is necessary to coordinate actions and pool resources, but if we are to get very far we have to be more precise in describing the nature of these partnerships (Pezinni, 2001). Too often partnerships have been used as a way to repackage old programs, not as a way to effectuate change. If partnerships are to be the main means for local development in rural America we have to do a better job of setting out the context for their work and how they should be organized.

Historically the federal government has played the lead role in rural policy, and there is still a preponderance of belief that this remains the appropriate approach. However we argue that if we truly believe in a locally based development process and if rural America is really as diverse as we say it is (USDA, 1995); then it is impossible for the federal government to play more than a supporting role in the development process. This does not mean it is not important, for the federal government is the only potential partner that can provide key parts of the necessary ideas and resources, but it can no longer be in charge (OECD, 2001).

State governments too are limited in their capacity to drive rural development. The National Governors Association proposal for a state driven rural development policy in the 1980s pointed out that the federal government was having a hard time defining policies that fit the diverse needs of rural America (John, Batie and Noriss, 1988). They suggested moving the policy development process down to the state level where 50 different policy systems could be established. Ultimately the idea was flawed because it did not show how states were any more prepared than the federal government to deliver effective local policy. And the states, unlike the federal government, showed no inclination to put their own financial and other resources into the process. Instead the proposal assumed the federal government would provide at least the same level of funding, but transfer it to state government to distribute.

Rural development is essentially a local process. Obviously this is not a new idea (Bradshaw, 1993; Salant and Marx, 1995; Sears and Reid, 1994). What we believe is important is the context in which the statement is made. Local government and organizations have too often waited for external direction, because history and current policy have indicated they were not responsible for leadership. As the saying goes, there has always been somebody from the federal government who was there to help. And the results too often were what we expect when we hear that line. But this situation of dependency is as much the responsibility of the local populace as the federal officials. When local people abrogate their leadership responsibilities, they should expect to live with the consequences. Ironically while self-reliance and a strong sense of community are supposed to be hallmarks of rural America, they are often hard to find in practice. But if we make federal and state policy clearly subsidiary to local wishes, then there is far more pressure for the community to be serious about development.

A Failed National Rural Policy

Because there hasn't been a clearly successful dominant strategy in the almost forty years that the federal government has tried to articulate a rural policy that goes beyond farm policy, there is a belief that rural policy has failed (Economist, 2002; Galston and Baehler, 1995; John, Batie and Noriss, 1988; Kotkin, 2002b; Murray and Dunn, 1996). Critics point to a patchwork of programs that still exist even though the policy objective that created them has long since been abandoned (General Accounting Office, 1994). We know that gaps between rural and urban populations have not really shrunk over time. Even though we argue that development is something other than growth, we believe that a steadily falling population in a community is a reliable indicator of decline. A crucial question is why, despite considerable effort by the Congress to articulate better policies and no shortage of academic studies that make recommendations on how to make things better, we remain unable to define a functional rural development policy.

Over at least the last three decades there has been a steady stream of papers, conferences and studies that have questioned the future of rural areas. (Browne and Swanson, 1995; Freshwater and Deavers, 1992; Freshwater, 1989; Galston and Baehler, 1995; General Accounting Office, 1992; Osbourn, 1988; President's Task Force on Rural Development, 1970; Shaffer, 1989; Stauber, 2000; Tweeten and Brinkman, 1976; USDA, 1988). These studies have all made roughly the same points: the traditional economic function of rural areas is declining, there is a growing gap between urban and rural conditions, existing rural policies are weak and are no longer well suited to most rural places, traditional rural values are no longer as important to both urban and rural residents, and there is no obvious new policy or policies to resolve the set of problems listed above.

At the same time there has been no shortage of prescriptions for improving rural conditions: more education, enhanced support for leadership development, a transfer of responsibility for policy from the federal government to the states, fostering rural tourism, and the current favorite – forming more partnerships. Each of these recommendations has at its heart an obvious kernel of wisdom and there are always a reasonable number of examples of places where the strategy has paid off, but no strategy has proven itself to have anywhere near to the kind of broad applicability required to bring about the magnitude of change across rural America that the advocates had expected.

One cannot really argue that there has been no legislative effort. In recent decades every farm bill has included a rural development title and in the 1976 and 1990 farm legislation there were major efforts to expand the federal role in rural development activity. In addition various other pieces of legislation have tried to broaden the scope of federal rural policy. Yet while it has been possible to authorize new activities, there has rarely been as much willingness to appropriate the funds to carry them out. As a result in the United States there is probably adequate legislative authority to implement virtually any type of rural development activity the government might choose to consider, but no funds to actually do much. So to some extent the question is why these ideas were never persuasive enough to carry the day in the appropriations process. The various pieces have never coalesced into a broadly accepted vision of how rural conditions can be improved.

While rural policy fifty years ago was easily described as a mix of agricultural policy along with a collection of smaller programs that supported the creation of rural infrastructure, through electrification, construction of water and sewer systems and provision of telephone services, these policies no longer suit our understanding of an effective rural policy (Osborn, 1988). To a large extent this reflects the success of the infrastructure programs in meeting rural residents needs for these services. But for the most part it reflects the growing inability of farm policy to influence rural America. The shift in rural America from being primarily a farm based economy and society to one where farming is now just a small part of the rural economy has made farm policy of any type a limited rural policy tool. Yet, despite over twenty years of arguments by rural analysts that rural and farm are no longer synonymous and that farm policy has limited impact on most rural people or their problems, no new policy has emerged to replace farm policy as the way most Americans think about how federal support should be provided and where most of the money goes.

Excuses for the failure to establish an effective policy structure are well known: farmer opposition, splintered nonfarm rural interests, an organizational structure of Congress and Administration that divides authority, low priority in the list of national concerns, an inability to define the rural role in modern economy/society, etc. (Bonnen 1994, Freshwater, 1997; Swanson and Freshwater, 1999). These conditions make any effort to set out a new rural policy a major challenge, and one that has a low probability of success. But these are mechanical constraints that have to do with how you get a new idea from the conceptual to the legislative stage. The problem is in many ways more basic – it is that we don't seem to have the initial concept or idea.

The New Rural Environment

The main reason a new rural policy is needed is because conditions in rural America and the rest of the world have changed so completely that in most places the old policies are largely irrelevant. Before defining elements of a new policy the new rural environment is described. The following list of factors is neither complete, nor does it appear in order of importance; because as the first point notes there are so many differences among rural places that a comprehensive and exhaustive list is impossible.

1. Diversity is increasing over time making rural places less like each other. When farming dominated rural areas and most farms were similar in size, technology and production there was greater similarity among rural places. Now even places that are in close geographic proximity or those that have a similar economic function can be very different in terms of opportunities or other attributes.
2. Demographic shifts will continue to have powerful impacts on rural areas. A variety of effects fall under this category. In some places there is an ongoing influx of foreign immigrants for the first time in almost a hundred years, bringing both higher populations and new social pressures as relatively closed societies struggle with different cultures and languages. In other places the population continues to fall, leading to concerns that there are too few people to maintain local government services and retail businesses. In other places suburbanization leads to conflicts between new residents and older families. In almost all rural communities concerns about the right number and kind of people are either visible or just under the surface.

3. The natural resource base that provided many rural areas with an economic function appears to face ongoing price declines. Falling prices in natural resources lead to lower levels of production and employment and pressure to control costs. All of these indicate that rural areas will have to search for innovative ways to develop new economic functions if they are to survive.
4. Even if federal policy changes, rural places should not expect an increase in the amount of money going to rural programs. Other claims on federal funds are going to be seen as more pressing than those advanced by rural interests, especially if the federal budget shifts into a deficit position. This means that the capital for rural development will have to come mainly from resources within rural communities.
5. Rural areas continue to suffer from lagging economic conditions relative to the nations urban areas. Between 1969 and 2000, per capita income rural-urban differences have widened from a 29 percent gap to a 31 percent gap. Unless rural areas are becoming cheaper places to live relative to urban areas, these differences signify a growing economic gap. This difference would have been even greater had rural areas not grown so significantly with regards to transfer payments. Social Security, Medicare and Medicaid payments were the fastest growing source of income to rural America over the last thirty years. In contrast, farm income has grown at a much slower pace even in the face of government subsidies. Farm earnings provides 28 billion dollars of personal income to rural America, while the big three transfer payment programs provide nearly 230 billion dollars of personal income. This dependence provides some shock absorption from business recessions. At the same time, few American realize the dependency of the rural economy on the three government programs. Major changes in these programs are paramount to rural investment or disinvestment. These programs are now more important to the future of the rural economy than agricultural policy.
6. Rural political influence will continue to decline as America becomes more urban and the urban population loses contact with rural areas. As immigrants become a stronger political force they will have little interest in domestic rural concerns because they have no real cultural attachment to rural America. Although the urban population knows little about rural life, it will play a strong role in defining the kinds of activity that can take place in rural areas. For many urban people, rural areas will be seen as primarily having value because of natural and cultural amenities they provide and urban interests will try to block changes that reduce their access to these amenities even if doing so disadvantages rural people.
7. Locational differences are becoming more important but in a different way than in the past. Historically the wealth of a rural region depended on the presence of extractable resources, such as soil quality, minerals or trees. Now the natural resources that are most important are no longer extracted and are based upon amenities like scenery, climate and history. The other critical locational difference is proximity to a growing urban center. While there have always been benefits in being close to a city, the gap between remote and adjacent places is probably wider today than at any time in history.

8. Changes in the world economy are making human capital an increasingly important influence on prosperity. In the past rural areas have not had to be as concerned with making investments in human capital because they could rely on place specific resources (land, trees, mines etc.) to provide an economic function. Not only is human capital expensive to create it also tends to be mobile, so unless rural areas can find ways to compensate workers at prevailing rates they will have a hard time keeping skilled people in the community.
9. Local governments are expected to play the lead role in bottom-up development approaches, but they are typically ill suited to this task. Unlike the federal and state governments that have clear constitutional roles in a federal system, local governments are creatures of the state and have powers and responsibility assigned by the state. This means that their abilities are constrained. In addition very few local political boundaries correspond to either economic or social units, so local government is typically forced to deal with pieces of a local economy and parts of different social groups.
10. While the computer and information technology industry is not having the same influence it did a few years ago, its long term capacity to change work and the way we live is still profound. It is creating new industries, changing the way old industries operate and allowing us to buy and sell products in different ways. It is just now changing how governments operate and promises to fundamentally alter how individuals and families live and relate to each other.

Why Worry About a New Policy?

If most of the benefits from rural development are truly local in nature, then if there is to be a federal or even a state policy to foster rural development we have to identify a reason for that involvement? One of the reasons farm support remains a popular public policy is that all citizens eat, so a stable supply of reasonably priced food is in everyone's interest. In addition food exports contribute to foreign earnings that allow urban consumers to purchase foreign made consumer goods. Finally the farmer and rancher is part of the national culture in a way that the local merchant or even the blacksmith is not.

If we expect public support what then is the parallel national benefit from rural development? Since rural development is arguably a process that makes the quality of life better in specific rural communities and those residing in the communities are by far the main beneficiaries of the process where is the national interest? Is there a larger public interest in what appear to be mainly local amenities? (Castle, 1993; Rowley, 1996; Rowley and Freshwater, 2001).

Bonnen argues that if we are to create a rural policy that essentially displaces agricultural policy as the main vehicle for dealing with rural issues then a necessary first step "... is to persuade the public and the power elite that a problem exists and that we have to do something about it – indeed we have a moral obligation to do something about it." (Bonnen, 1988, p.8). There are several ways to make this argument but unfortunately none are as simple, nor as compelling, as is the case for farming support. One is that if we do not resolve rural problems then the urban population may face a more significant problem associated with rural outmigration in the future. This is of course the argument of the Great Society

programs of the 1960s and the message of *The People Left Behind* (President's National Advisory Commission on Rural Poverty, 1967). A second is that when Americans are asked where they would prefer to live a common answer is in small cities, towns and villages. This suggests there is an option demand argument for maintaining rural places. The third is that from a larger perspective virtually all citizens receive public assistance in some form. It may be farm support, aid for mass transit, grants for sewage treatment facilities, or a military base. In many rural places federal development assistance may be the means by which that particular population receives its fair share of the national redistribution of income. The final argument is also one that appeals to equity, but at a more philosophical level. Instead of an entitlement argument, it is one of obligation. If American values promise equality of opportunity and other basic rights then there is some moral obligation to find ways to help the disadvantaged. It may require redistribution, but if there is a way to take resources that would otherwise be underutilized and make them more effective then there would seem to be a public purpose in doing so.

The second step according to Bonnen, once there is a sufficient body of support, is to identify the different ways that action might be taken. This is the policy development process. In the third and final stage, legislation is developed and funds appropriated to implement one or more policies. From our perspective the problem with rural policy is that we skipped step one and went to step two. As a result we have ideas and even legislation, but no appropriations – because there is no base of popular support.

Our argument is that we have to rethink what it is we are trying to accomplish if we are to escape this box. Part of the suggested rethinking entails giving up the search for the “holy grail” of a complete rural policy and returning to a more pragmatic, incremental approach, part entails changing the way we think of rural itself to create an alternative notion of territory, part is recognizing that rural is a moving target so that any policy quickly loses much of its relevance, and part is recognizing that we have to deal with unpleasant realities. These include, the impossibility of all rural places developing, the fact that some economies of scale are so strong they cannot be overcome and that distance remains a major impediment.

The lack of a credible policy alternative is important. Without an explicit alternative to offer, critics of the status quo can be dismissed as having an inadequate understanding of the situation. Also while the current policy may not be seen as very useful, even its strongest critics have seldom argued that having no policy and abandoning a federal role would be better. In contrast in urban policy the “new urbanism” has established a different way of thinking about what is important in urban policy (Talen, 2002). Even though it has not been widely adopted as a basis for urban programs it provides a clear and reasoned argument for at least thinking about change. In simple terms in a national policy process, where the status quo always has strong advocates who directly benefit from its continued existence, you cannot expect change unless you are prepared to provide an alternative that can gather its own supporters. You don't beat something with nothing. This means that we should expect farm policy to continue to be promoted as rural policy until there is a credible alternative.

At this stage the new alternative does not have to be complete, either in terms of ideas or implementation, nor does it have to apply to all places and people. Certainly our proposal is none of these, but it does have to have a logical coherence and fit with what we now know about rural America and what we expect in the future. Most importantly, it also has to have

that intangible sense of a vision that people can relate to. Whether we succeed on this last ground is not for us to judge. The proposal at this stage is like the early period of new urbanism – it is a search for a common ground or set of principles that can be used to think about how rural America can be reshaped in way that makes it better. One way to think of it is as a way to break the log-jam that has left us making the same arguments unsuccessfully for twenty plus years.

The Core of a New Rural Policy

The new rural environment and policy conditions converge to create the environment of a new rural policy. The new rural environment points to the need for a local response to the rapidly changing world and the inability of current policy to enable change. Policymaking conditions point also to the reality of a local response and working through existing local institutions to create a new rural policy that is pragmatic and incremental. In the 1980's and early 1990's, the call was made to support rural policy devolution to the states. It is now clear that this shift has been ineffective in creating a vibrant rural policy and rural society. Cities and counties, local government must be at the heart of a new national rural policy. In effect, national policy will be undertaken by the multitude of local governments across the nation.

Rural cities and counties exhaust the rural territory of the United States. Both entities must be part of the new national rural policy. Counties represent the cities, but more importantly, reflect the open countryside of rural America. Cities and towns still represent a large part of the economic and population base of the rural landscape. These unique places have been largely ignored by the federal and state government. However, they represent the best chance for a recovery of the rural economy and rural quality of life. Because most of the economic activity in nonmetropolitan counties takes place in small urban centers, it is critical that we have a better understanding of these places. This obviously includes their economic function but it also is important to understand social systems how the governance process works and the role these places play in larger national issues (Bradshaw, 1993; Lovely, Rowley and Freshwater, 2002).

Smaller population centers are different than large ones in important ways. This means that U.S. federal urban policy, which is driven by the concerns of large cities, has limited applicability to smaller ones. Jane Jacobs in her book *The Life and Death of Great American Cities* recognized that her prescriptions for large cities did not apply to small ones and that to pretend that they did would likely make things worse. Unfortunately we have not invested in improving our understanding of smaller places.

Similarly Hildebrand points out that behavior is far more constrained in small places than in large ones.

The great illusion of village life is that it is simple. A village is like an extended family, and village politics are a prolonged version of a family quarrel. One side of the coin is togetherness, the other lack of privacy. In a big city you can afford to tell your neighbors off once in a while, having a surplus of them. But in a village you have to get along with the same hundred people, in the same way you kowtow to disagreeable relatives just to keep the peace.

John Hildebrand *Reading The River*. p. 160.

As a result of close proximity decisions are more complex. It is impossible to separate economic issues from social ones and decisions made today have unavoidable ramifications for the future. This means that governance is actually more difficult in a rural setting.

In particular we need a far better understanding of how smaller cities relate to the open land that surrounds them. In the case of large cities there is a clear hierarchy of influence, although even here the idea of a dominant urban core has less relevance than in the past. For smaller cities the distribution of economic, political and social power is more even. Neither the city nor the county government can dominate the other and while each can thwart the ambitions of the other, it is almost always at a significant cost to everyone.

Small cities and towns represent the best venue for taking advantage of the changing rural environment. In order to attract and retain human capital, cities can provide unique amenity attributes. These amenities can be provided in municipalities at a lower cost and without harming the open countryside environment. Cities do not have to rely on the natural resource base of the community. They can serve as retail-service-cultural centers for the surrounding countryside. Finally, urban Americans may relate to the towns and cities of rural America.

At the same time, both city and county government represent the open countryside of rural America. It seems that the logical win-win situation is for economic and population growth to be concentrated in small cities and towns, while agriculture and other countryside activities are unimpeded (Lapping and Pfeffer, 1997). Counties will benefit from a stronger tax base and the concentration of residents reducing fiscal service and capital costs.

We are not advocating for increased suburbanization by metropolitan areas as the solution to the rural dilemma. Rather, freestanding rural cities and towns to take their place at the heart of rural America. Rural policy should be defined around these territorial places. In order to accomplish this objective, the unique characteristics of these places must be recognized. The federal and state government must provide support to city and county government to undertake rural development.

A taxonomy of small places may be useful in describing a new rural policy. Some small cities have a critical institution such as a hospital, small college, government installation or other entity that supports the local economy. In these places, it is perhaps no different than relying on the local manufacturing plant. What are the implications for places without these institutions?

Several factors are constraining the ability of cities to engage in meaningful community and economic development. First, a lack of professional staff hampers their ability to create planning mechanism. Second, small cities often lack the financial resources to engage in activities other than strictly traditional government services. Rural sprawl, that faced by small cities, is damaging to the core of such places. It reduces the small resource base of cities. Storefronts and Main Street are often empty.

Counties and cities must work together for success in rural development to be achieved. However, this partnership cannot be forced. It must be encouraged and fostered with the use of state and federal incentives. Also, the partnership may look very different across the

county. In some communities, manufacturing growth in the incorporated part of the county may be part of the economic picture. The city and county may cooperate on specific services to an industrial park. In other cases, city and county may share services to encourage overall rural development. Regardless, the new rural policy must respect the need for diverse solutions and approaches across the country. Cities and counties have the potential to be flexible and remain the level of government closest to citizens needs.

If local governments are to serve as the basis for a new national rural policy, a new role for the state and federal governments must be established. The federal government's role is to provide a level playing field and support infrastructure for these communities. Programs should be reoriented to support small towns and cities across rural America. Agencies, such as Housing and Urban Development, Agriculture, Commerce, will target resources for rural cities. There is precedence for this territorial-focused program in the rural empowerment zone and renewal community legislation.

Congress and Federal agencies must learn to support and serve as catalysts for change rather dictating top-down programs. Typically, the federal government imposes large restrictions on any grants or monetary transfers. While this is understandable in some context, it is inappropriate for rural policy. Communities need the flexibility to focus on what works. At the same time, there must be a series of checks and balances to ensure that local flexibility does not lead to wide ranging inequality of opportunity. Therefore, the federal government should set some basic ground rules of participating in programs, but at the same time allow participants to engage in creative ideas and programs. Intergovernmental transfers should be based on meeting performance measures with only basic restrictions on expenditure allowances.

State governments must also seek to provide support infrastructure for rural cities and towns. The biggest spending categories for state government are education, social services, transportation and corrections. Education has largely been relegated to the state due to the multitude of lawsuits concerning educational equity. State and federal funding and regulations now dominate the rural educational landscape. Transportation is also largely a state and federal function. Counties and cities construct and maintain certain parts of the system, but it is largely in the hands of state and federal government to determine the placement and construction of major roadways. While these decisions affect rural areas, policy is not explicitly with regard to this consideration. The other major state functions, Medicaid and prisons, are not about rural areas. Prisons have been viewed as part of the rural economic development picture, but a state can only build so many prisons or nursing homes. None of these institutions, in and of themselves, leads to a picture of a vibrant and healthy rural economy. The state is largely unable to take a lead role in rural policy in the United States.

State and federal officials may argue that such a rural policy does not allow them to track "where the money goes". However, we are not arguing for the end of financial accountability only for a performance based block grant system to support rural policy. Local government should be required to report the inputs, outputs and outcome of any intergovernmental transfer of aid.

For state officials, a far more important task is to improve the flexibility of local government, while maintaining the necessary checks and balances system. Many state constitutions restrict the ability of local governments to raise taxes, incur long term debt or engage in certain types of expenditures. Without a vote of the people, it will be difficult to change many of these restrictions. However, some statutory restrictions can be removed. One important principle is that states should allow all incorporated places, not simply large ones, to engage in all forms of economic development activities and benefit from special state programs.

If accountability is to be improved there will have to be a clearer division of responsibility. Much of this will have to take place at the state level. If states really are laboratories of democracy we should be conducting more experiments in the delegation of authority and responsibility to local government. To date most states provide larger cities with considerably more local control than smaller places. The argument for this is that larger places have the internal resources to effectively manage their own affairs. However, although state governments may believe that smaller cities lack these resources the state typically does not provide them either. Thus small places are told that they lack the capacity to manage their future, but the state is not willing to take responsibility either.

Almost two decades ago David Osborne's *Laboratories of Democracy* spawned a belief that the best way to develop public policy was to encourage every state to experiment in developing its own procedure to meet some broad national goal. Rather than Washington both set the goal and the procedure, states would be free to create programs that seemed appropriate to them. From this proposal came subsequent arguments that we should really be judging outcomes and not process (Osborne and Gaebler, 1992). Local development takes this principle to an even larger level. Instead of fifty experiments there can be thousands, as each community defines its own approach. If Osborne remains right, some of these experiments will fail and some succeed, but over time the best approaches will be adopted by other places.

This approach provides a way to divide responsibilities among levels of government in a fair way. If the federal government believes that there is a national interest in particular types of rural places, then it can set as goals that places with specific characteristics should be preserved or expanded in number. If it sets this goal as national policy then it should be willing to support efforts to achieve it. To do otherwise would be yet another unfunded mandate. Once the goal has been set states and local governments could select their own approach to meeting the goal and rely upon federal assistance for part of the effort.

Some Important Components of a New Locally Based Rural Policy

This section of the paper presents a number of ideas and strategy elements that we believe are important in taking the concept for a new locally based development policy from idea to practice. Most of these points are already applied to some degree in various places that have implemented a locally based approach, But they are worth setting out in a group because collectively their adoption will help to improve the likelihood of success of development efforts.

Accept an Incremental Approach

One of the leading criticisms of current U.S. rural policy is that it is fragmented to the point of being incoherent. At any point in time it is made up of a large number of specific programs that have no obvious linkages and which at times seem to act in opposition to each other – there is no overarching development strategy. Yet every legislative effort to create a new policy builds upon the existing base rather than start from a clean slate. In America it is impossible to do anything else. The American policy process is incremental, and each existing program has its advocates who will accept new programs being created only if this does not require elimination of programs that benefit them. While it may be theoretically elegant to design a coherent and integrated policy structure that could make better use of resources that are now being used for old programs this isn't going to happen.

It won't happen because interest groups will prevent it. It won't happen because in some places existing programs are doing some good and the new programs will not do any better. And it won't happen because there is an underlying belief, based upon history, that in a country as diverse as the United States there is never going to be a new policy initiative that resolves the rural development dilemma. This means that any new policy has to incorporate the old ones. What can distinguish a new policy from the past is how the pieces are put together. In particular how the federal role relates to those of other players is a critical element in any "new" policy.

Focus on People, But People in Places

Rural policy has to be concerned with people who live in particular kinds of place. While current rural policy talks about the well-being of people as the ultimate end, it operates at the level of products. For example, farm policy is mainly about altering the supply of farm commodities either by altering prices or changing how markets for these products operate. Other rural policies deal with the provision of physical infrastructure, the pipes and wires that serve a community.

Because rural places differ greatly, and we cannot be sure about the future of any specific place, it is more appropriate to try to help people. Not only is the well being of people an ultimate responsibility of government, it is simply pragmatic to provide people with the skills to earn a living in a number of possible places. However rural policy has to be more than human capital and labor force mobility. To be rural policy there must be a strong place orientation, because rural is essentially about specific types of place.. Places have value in themselves, if only because they are where our culture develops and provide one way, community, that people connect with each other. Because rural places operate differently than neighborhoods in cities they serve their own function that is seen as having a general value.

And it is clear that while mobility is an important option there are significant costs to people both as individuals and society collectively if adjustments take place mainly through people moving. In the first place the transactions costs for individuals are high, in terms of job search and the other elements associated with relocation, and collectively there is some value in preserving an opportunity for at least some portion of the rural population to live in a different way than the majority who live in larger urban centers.

We also know that macroeconomic policies and other national policies can have very different effects upon specific sub-groups of the population. While a policy may be desirable from an aggregate perspective, if there are clear losers from implementing the policy then equity considerations may argue for taking some of the benefits from the change and using it to compensate the losers. In a sense rural policy can be thought of as having both equity and efficiency elements. Efficiency in the sense that rural policy should help improve resource allocation, but equity in that in a predominantly urban nation most other forms of policy are going to be designed to provide advantages to metropolitan regions, so rural policy may be used to address this imbalance.

Occupy The Policy Middle Ground

The United States now has two distinct territorial policies: the current rural policy – with its origins in farm policy that is still mostly about the open countryside, and urban policy – that has its origins in the problems of the urban cores of large cities and focuses on social and housing issues. While these both remain important topics they have both become more irrelevant to the majority of the national population. Most of the people in nonmetropolitan America do not live on farms and most of the people in metropolitan America do not live in central cities. While there is a well recognized link between rural policy and the suburban fringe of large cities, the parallel link between smaller cities and towns and the surrounding countryside is equally important but not well understood.

Most farmers now derive the majority of their income from off-farm employment and most of this employment takes place in an urban area, not in the open countryside. Because urban policy has all but abandoned cities in nonmetropolitan counties and most of the cities in metropolitan counties the new rural policy should be based upon the improving the linkages between open countryside and smaller urban places.

Choose the right measure of territory

If we are to move beyond farm policy there has to be a new unit for identifying policy targets and defining programs. This unit should be easily understood and have a precise definition so it is possible to collect data and measure change. Although counties are not ideal they have the advantage of already forming the unit by which we measure rurality and completely cover the territory of the United States. We already use metropolitan and nonmetropolitan as synonyms for urban and rural even though they are different concepts. In some cases a sub-county unit may have to be used, especially for large counties in the western states that are highly urbanized in one part and very rural in another.

Rural policy also has to recognize that conditions on the urban fringe are radically different than in more isolated places. The metropolitan nonmetropolitan dichotomy implicitly captures much of this distinction since rural areas in proximity to larger cities become part of an urban fringe and drop out of rural America in terms of how it is operationally defined. In practice there is probably no need for a specific rural policy for rural places on the fringe of major cities for they truly are a hinterland with a fate dictated by the urban population. Where rural policy is more meaningful is in the small metropolitan areas (populations under 100,000) and the nonmetropolitan counties.

Counties are the unit of local government most states use to deliver their programs to citizens, because counties cover the complete territory of the state. Counties have also been

the main unit used by USDA to deliver its farm and rural development programs. But cities and towns are the main unit of local government engaged in economic development simply because most non-farm economic development takes place within an incorporated region. This means that rural policy should be a synthesis of open space and small city policy.

Recognize that Rural Development Is Distinct from Urbanization

Over time the share of land in rural areas has declined first as cities grew and later as low-density suburbs spread into rural areas. This process has led to two changes that now confuse the understanding of rural development. The first is the effect of an essentially urban population spreading into rural areas and leading to increased numbers of people being counted as rural. To the extent that these people bring higher levels of income and education into the area there is an apparent increase in socio-economic condition. However this is not really rural development because the process ultimately entails the absorption of the rural area by an existing city. The second phenomenon involves those places that grow enough internally to move from rural status to urban. In this case the change could be considered to be one form of development, but we must be careful not to restrict our definition of rural development to a large enough growth in local population that the place is able to be reclassified as metropolitan.

If Rural People Want Local Control They Have to Accept Local Responsibility

Most people interested in rural development believe that it is more likely to take place when local people define and implement actions with external support. Obviously now there are large variations in rural conditions, opportunities and resources it is hard to define a set of federal policies that is small enough to be effectively administered and broad enough to provide adequate support. Our past experience shows that federal policies that worked well in some places may not work in others. As a result there has been steady movement away from top-down federal policy that dictates what communities have to do in order to receive federal support.

However the fact that most of the benefits from local development flow mainly to either the people in the community or others in the immediate vicinity makes it hard to argue for a large federal role. If the federal government has no real advantage in defining rural policy and there is a limited national interest in the results of rural policy, then the logical consequence is that locally based rural development policies must look primarily to the local populace for resources. A federal role can be more easily argued for investments in people or the natural environment because there are potentially significant national externality benefits, but not for most traditional economic development activities.

This is a hard point for communities to accept, but in the mid-1980s when the National Governor's Association argued that the states were more suited to define and manage rural development policy; while the federal government was better positioned to raise the funds to implement programs through taxes, the federal response was underwhelming. No political entity willingly taxes the public and then transfers funds to another level of government thereby allowing the recipient to take the credit for a program. Those blamed for taxing the public have to be seen as being the ones to provide the programs.

But more importantly, because it is widely accepted that most of the benefits from development policy are local, external parties are naturally suspicious of communities that

want outside support but are unwilling to invest in a project or program themselves. A community that does not believe enough in a development project to commit a meaningful share of its own resources should expect to have an increasingly difficult time finding external support as more places recognize that a meaningful partnership entails a resource commitment by all participants.

Make Policy Proactive, Not Reactive

Much of rural economic development policy has been a reaction to adverse events. Farm policy is mainly an effort to buffer farm incomes from dips in commodity prices. Federal regional development agencies that operate in rural areas, including the Tennessee Valley Authority, Appalachian Regional Commission and the Delta Commission, were created to assist regions that had major problems. As a result rural policy has always had to focus on immediate solutions that provide short term income and employment assistance. If problems are really only cyclical in nature then this type of support is enough to allow most places to wait for improved conditions.

But if the problems facing rural areas are more than cyclical fluctuations then a more sophisticated approach is required. The current emphasis on strategic planning and partnerships is a recognition of this. Planning and partnerships force people in a community to look beyond the past and examine how the future might affect them. In particular rural problems are not necessarily about decline. Some rural places face rates of growth that are causing problems. Other places face growth in certain types of activities that are disruptive. Dealing with these problems is not possible using the old policy framework.

Learn To Morph

Morphing implies a transformation from one form to another that preserves the basic material of the original shape. It also implies that no new material is added. The most famous example of morphing was found in the movie *Terminator 2* where the new terminator was able to change shape to suit the situation. The analogy is useful for rural development because it reflects two key facts. The first is that as conditions change over time the community has to also change to better fit the new environment. This means that development is a state of continuous adaptation to new conditions. The second point is that the transformation has to take be undertaken with few or no new resources. Communities should not expect each transformation to be subsidized by an infusion of external funds or other support. While some external resources may be made available it is wiser to assume that they will not be the main means for change.

Adapt Policy to the Federal System

In a federal system with clear division of powers it is vital that policy at any level be developed in a way that recognizes both the limits imposed by the division of authority and the opportunity to take advantage of the actions of other levels of government. While rural policy in the United States has historically been a mainly federal responsibility, it is hard to see how this situation makes sense today. The federal government had the ability to implement a reasonably effective commodity-based agricultural policy because commodity process tend to be set by national markets and because for a long time agriculture was relatively homogenous so a national policy worked reasonably well.

As agriculture has become less important in rural areas, there is less opportunity for the federal government to play an effective lead role in rural policy. For example, education is mainly a state and local responsibility, most infrastructure is provided at the state and local level, and most land use management regulations and policies are state and local responsibilities. This means that decisions made below the federal level are more important in shaping rural areas than in the past. As noted earlier the main federal programs now influencing rural areas are social welfare programs that provide benefits to individuals wherever they reside.

However our current policy framework does not adequately reflect these facts. The federal government is still seen as the lead actor, in part because of inertia and in part because other levels of government recognize that were they to play a larger role there would be both budget implications and greater accountability for results.

To the extent that rural policy is mostly about creating an environment that is conducive to private enterprise rather than delivering money or supporting incomes, the majority of the policies and programs have to be defined and delivered locally. The generally held belief that development is more likely with a bottom-up approach shows that this concept has been well accepted. What has not been determined to date is how you balance local, state and federal roles. As noted earlier the federal government is unlikely to accept a solution that assigns it the role of financing the development process with no ability to claim a part of the policy delivery role. State governments now impose major constraints on the actions of local governments, but have been largely unwilling to step in to actively manage a development process. Local governments often advocate local control but are often in practice more interested in searching for grants that often have limited bearing on the real problems, than trying to raise local resources.

In the current system it is easy for each level of government to blame the others for development failures. The recent emphasis on partnerships is an effort to improve the coordination process, but in many cases the partnerships are illusory at best. In most cases the federal government is the general partner controlling the resources and defining the actions and everyone else sees themselves as a limited liability participant. Consequently there is still a top-down process with limited local influence. In this complex system public accountability is not easy to enforce because there are too many potential reasons for failure.

Engage Existing Communities

Once you look beyond a single community there is a temptation to think of development as a regional issue. If the term region is used as a simple shorthand way of describing multiple communities there are no real problems. However the use of region often conveys an aggregation of communities into a new synthetic unit that assumes away real and significant differences among places. The use of imposed regions in the United States has been an unsuccessful strategy because they have been developed for the convenience of program administration, not from local initiative. Economic Development Administration regions attempted to force communities into a larger functional economic unit but have rarely been accepted as a legitimate way of linking communities.

Rural communities have been described as neighborhoods that are not adjacent to each other. While this description captures an element of a rural place – the sense of community, it

misses another important element. This is the difference between a neighborhood, which may have an association that provides quasi-government functions, but is still part of a larger local government, and an incorporated rural place that has its own local government and the ability to act independently. City neighborhoods ultimately are bound together by a larger political process that compels them to act together. Rural towns and cities can choose when and how to cooperate or compete.

Past efforts to form regions have failed to pay enough attention to the independence of the constituent parts. One might think that the aim has been to optimize the system for the federal and state governments, not encourage local development. While bribes can lead to various groups formally agreeing to join forces, it often only at a symbolic level and there is no real long term cooperation. If we choose to think of regions as the basis for development then there is a large burden to find ways to assemble those regions in a way that corresponds to existing relationships among communities and in ways that stimulate long term integration (Lackey, Freshwater and Rupasingha, 2001). There are examples of programs that have had some success in this regard, Leader in the European Union and Community Futures in Canada, but in each case forming stable linkages among communities required a long term effort with significant rewards for making partnership commitments (European Commission, 2002; Freshwater and Ehrenschaft, 1994).

Synthesis and Conclusions

In the last few months an editorial by Joel Kotkin with the title *Rural America must be reclaimed* has been picked up by a number of regional papers after it first appeared in the Washington Post. (Kotkin 2002b) Kotkin's main point is that rural America is in deep trouble. He argues that instead of being populated by the hard-working rugged individuals of American myth, the people of rural America are now little better than the socially dysfunctional, welfare dependent poor found in inner cities. The common problem is excessive dependence upon federal government subsidies. Kotkin goes on to argue that what is needed is a shift in government support from farm subsidies and Supplemental Social Security to funding for venture capital funds and telecommunications infrastructure. He seems to see the "information Economy" as the new salvation of rural America.

While Kotkin's article has drawn more attention to rural America than most other authors one has to wonder about both his description and his prescription. He criticizes past rural policy as being ineffective because parts of rural Mississippi, Kentucky and Arkansas are relatively worse off than they were in the 1960s. But in the last 40 years the number of counties nationally with high levels of poverty has been reduced to about one quarter of the 1960 number. Further while the remaining impoverished counties may be further behind than in the past this does not mean that the people living in those counties are actually worse off – they just haven't progressed as fast as other places. Kotkin's description of subsidies is also problematic. The farm subsidies he describes go to just over one third of all farms and we know farmers are a minority of the population of rural America, as are those collecting Supplemental Social Security. But it is his prescription that is most amazing. At a time when the excesses of venture capital investment in telecommunications is unwinding on a national scale, it takes a certain degree of confidence to claim that the future of rural America will be improved by venture funds and Information Technology.

Kotkin certainly raise the public awareness of problems in rural America just as Bonnen argues is required as the first step in establishing public policy. But the way he does it may make things worse. The picture he paints is not particularly favorable and using his description one could easily conclude that the best public policy may be to cut our losses and look elsewhere for development opportunities. Further he perpetuates the “silver bullet” solution as a single federal government cure for all of rural America, despite the fact that there are great variations among rural places both in terms of conditions and opportunities.

Ironically the same day that Kotkin’s rural article appeared in the Lexington Herald Leader another article by Kotkin, *Massive revival of cities is only wishful thinking* was also printed (Kotkin 2002a). In this article Kotkin concludes that Americans don’t want to live in urban centers and that the outer suburbs (nonmetropolitan counties adjacent to metro areas) are where population growth will continue to take place. Taken together the two articles present an apparent contradiction. Both major urban centers and rural are declining, despite efforts to foster their development. The suburban fringe continues to expand despite efforts to impeded its growth. In reality conditions are neither as uniform nor as bleak as Kotkin suggests for either urban or rural areas. But Kotkin’s two articles do point to a valuable way to think about the relationship between cities and the countryside.

In his book *Building Cities In America*, Daniel J. Elgar argues that the history of the city in America is different than the city in Europe and that urban policy based upon a European model is inappropriate. The difference comes from the role of European cities in medieval times. City states are part of the European experience and they existed as independent or quasi-independent entities for hundreds of years. Elgar believes that this is important because European nations in a sense evolved from cities. In North America by contrast the nation preceded the city and cities developed to serve an export oriented rural economy. This led to unitary states being more common in Europe and there is a much clearer urban hierarchy. In contrast the U.S. has a federal system of government and far less of an urban hierarchy. But most importantly American cities, particularly all but the very largest, are symbiotically linked to their surrounding countryside. Since rural policy is often defined as the residual after urban policy is articulated, then if we get urban policy wrong we will also get the wrong rural policy.

In the United States while population and economic power is now concentrated in the cities, political power is not. Political power still has a more uniform spatial distribution with 2 senators from each state and widespread limits on the ability of cities to annex surrounding areas. Within states the basic unit of local government is the county and cities for the most part exist as special parts of counties, but are where economic and social activity are concentrated.

Cities and counties in rural America are the key to a new national rural policy. These institutions possess several key characteristics that make them strong candidates to carry the torch for rural policy including 1) possess the flexibility necessary in the new economy 2) reflect the diversity that now characterizes rural America 3) already exist as part of the federal system of government in the United States 4) have the greatest at-stake in the success of rural America. Local governments are hampered by state restrictions, lack of professional staff and funding limitations. The state and federal government must empower these institutions with increased funding or the flexibility to raise funding and the legal authority to

undertake new and creative policy. This new partnership, with cities and counties at its heart, is one step closer towards a new national rural policy.

So, like others we focus on partnerships as the main element of rural policy and in particular on local partnerships. Our modest contribution is to push the partnerships into a more specific linkage between small cities and the countryside. At the most fundamental level we believe little will happen if the administration of the county seat and the local government charged with managing the county are in conflict. The city contains most of the population of the county and is the hub of economic activity, but the county controls major levers of public policy, including the major links to state and federal policy.

We see a fusion of interests between small cities and county governments as providing a way to break down two important barriers to development. The first is the common argument that rural policy is farm policy and the second is that urban policy only deals with the central core of very large cities. Both of these policies have been harmful to the interests of the majority of Americans who are not farmers or property owners in large cities. Until rural policy is seen as being linked to urban policy – where urban means small and medium size cities, there is little hope of having effective economic development policy that goes beyond resource based activities. Everything other than farming and forestry takes place in a relatively densely populated community so we should recognize that there are significant urban and countryside links.

While in the past rural policy has been seen as a federal issue this new focus largely reduces the federal role. If local governments are important, and agreements among local governments are central to the rural development process, then it is the states that have to play the major role of facilitating these partnerships. Only state legislatures and governors can alter the rules that govern how local governments behave and create the incentives for local governments to cooperate. Without this enabling activity all the rhetoric about local partnerships is likely to amount to little.

At the end of the day neither the federal nor the state government has a very glamorous or high profile role in rural development. Unlike the old policies where senior levels of government could come to town and deliver resources that would provide income and jobs, the new role is to provide an environment where local government can operate more effectively and to establish rules that limit the incentives for one local government to grow at the direct expense of a neighbor. A goal setting and rule enforcing role may not be very attractive to legislators who have long used the rewards from public policy as electoral strategies. But it is analogous to the public role in market based transactions. The government provides an environment in which market forces can operate. Similarly the federal and state government should provide an environment in which local development initiatives can take place.

REFERENCES

- Bonnen, James T. "The Political Economy of U.S. Rural Policy. In J. Norman Reid and Sara Mazie (eds.) *Conceptual Frameworks for Understanding Rural Development*. Aspen Institute: Queenstown MD 1994.
- Bradshaw, Ted. Multicommunity Networks: A Rural Transition. *The Annals* 529, 1993 pp 164-175.
- Browne, Wm. P and Louis Swanson. Living With The Minimum: Rural Public Policy, in Emery Castle ed. *The Changing American Countryside: Rural People and Places*. University Press of Kansas: Lawrence, KS pp. 481-492, 1995.
- Castle, Emery. Rural Diversity: An American Asset. *The Annals* 529, 1993 pp 12-21.
- Economist, The. *Lexington Heartbroken: Is Rural America really such a great role model for the rest of the nation?* August 17, 2002 p. 17.
- Elgar Daniel J. *Building Cities In America*. Hamilton Press: Lanham MD. 1987.
- European Commission. *LEADER II website*, available September 2002 <http://www.rural-europe.aeidl.be/rural-en/index.html>
- Freshwater, David. Farm Production Policy versus Rural Life Policy. *American Journal of Agricultural Economics*. 79:7 pp. 1515-1524 1997
- Freshwater David and Phil Ehrensaft. "Catalyzing Bottom Up Development With National Programs: Canada's Community Future's Program" in David Sears and J. Norman Reid (eds.) *Rural Development Strategies That Work*. Nelson-Hall: Chicago, 1994.
- Freshwater, David, and Kenneth Deavers. "Falling Farther Behind: Current Conditions In Rural America" in R.D. Bollman ed. *Rural and Small Town Canada*. Thompson Educational Publishing Inc. Toronto, Ont. 1992.
- Freshwater, David. "A Synopsis of the Proceedings of the Rural Development Symposium" in Joint Economic Committee of Congress. *Towards Rural Development Policy for the 1990's: Enhancing Income and Employment Opportunities*, Senate Print 101-50, Government Printing Office, Washington, D.C., Sept. 1989.
- Galston, William and Karen Baehler. *Rural Development in the United States*. Island Press: Washington D.C. 1995.
- General Accounting Office. *Rural Development: Patchwork of Federal Programs Needs To Be Reappraised*. Report GAO/RCED 94-165 General Accounting Office: Washington D.C. July 1994
- General Accounting Office. *Rural Development: Rural America Faces Many Challenges*. Report GAO/RC ED 93-35. General Accounting Office: Washington D.C. November 1992.

Hildebrand, John. *Reading the River*. Houghton Mifflin: Boston MA 1988.

Jacobs, Jane. *The Death and Life of Great American Cities*. Random House: New York. 1961.

John, Dewitt, Sandra Batie and Kim Norris. *A Brighter Future for Rural America*. National Governors Association: Washington D.C. 1988.

Kotkin, Joel. Massive revival of cities is only wishful thinking. *Lexington Herald Leader*. Sunday Sep. 8, 2002a p. J6.

Kotkin, Joel. Rural America must be reclaimed. *Lexington Herald Leader*. Sunday Sep. 8, 2002b p. J1.

Lackey, Steven Brent, David Freshwater, and Anil Rupasingha. "Factors Influencing Local Government Cooperation in Rural Areas" *Economic Development Quarterly*. Vol. 16, no. 2, 2002. pp. 138 – 154.

Lapping, Mark and Max Pfeffer. City and Country: Forging New Connections Through Agriculture in Wm. Lockertz ed. *Visions of American Agriculture*. Iowa State University press: Ames IA 1997.

Lovely, Sylvia, Thomas Rowley and David Freshwater. *The Morphing of Main Street USA*. New Cities Foundation: Lexington KY, 2002

Murray, Michael and Larry Dunn. *Revitalizing Rural America*. Wiley: New York 1996.

OECD. *OECD Territorial Outlook: Territorial Economy*. OECD:Paris 2001.

Osborne, David. *Laboratories of Democracy*. Harvard Business School Press: Boston, MA. 1988.

Osborne, David and Ted Gaebler. *Reinventing Government*. Addison Wesley: Reading MA, 1992.

Osborn Sandra. *Rural Policy in the United States: A History*. CRS Report 88-487 Congressional Research Service; Washington D.C. 1988.

Pezzini, Mario. Rural Policy Lessons From OECD Countries. *International Regional Science Review*. 24:1 pp. 134-145 2001.

President's National Advisory Commission on Rural Poverty. *The People Left Behind*. Government Printing Office: Washington D.C. 1967.

President's Task Force on Rural Development. *A New Life for the Country*. Government Printing Office: Washington D.C. 1970.

Rowley, Thomas and David Freshwater. "The Rural Dilemma" *Terrain*. Issue 10, Fall/Winter 2001. <http://www.terrain.org/articles/10/ruraldilemma.html>

Rowley, Thomas. The Value of Rural America. *Rural Development Perspectives* 12: 1 pp. 2-4 1996.

Salant, Priscilla and Julie Marx. *Small Towns, Big Picture*. The Aspen Institute: Washington D.C. 1995.

Sears, David and Norman Reid Successfully Matching Development Strategies and Tactics with Rural Communities in David Sears and J. Norman Reid (eds.) *Rural Development Strategies That Work*. Nelson-Hall: Chicago, 1994.

Shaffer, Ron. *Community Economics*. Iowa State University Press: Ames IA. 1989.

Stauber, Karl. *Why Invest in Rural America—And How? A Critical Public Policy Question for the 21st Century*. Paper presented at the Center for the Study of Rural America, conference on Exploring Policy Options for a New Rural America, available <http://www.kc.frb.org/PUBLICAT/ECONREV/er01q2.htm#rural>

Swanson, Louis and David Freshwater. From New Deal to No Deal *FORUM* vol. 14 no.1, 1999. pp. 84-89.

Talen, Emily. The Social Goals of New Urbanism. *Housing Policy Debate* 13:1 2002, pp.165–188.

Tweeten, Luther and George Brinkman. *Micropolitan Development*. Iowa State University Press: Ames IA 1976.

USDA. *Understanding Rural America*. AIB 710 USDA Economic Research Service: Washington D.C. 1995.

USDA *Rural Economic Development in the 1980s*. Rural Development Research Report 69. USDA Economic Research Service: Washington D.C. 1988.