

Rural America at the Turn of the Century

By David Freshwater
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The changes wrought in rural America by resource depletion, government policies, changing markets, technology, and globalization (to name a few), mean that "the federal government is increasingly ineffective in providing rural development support." So says David Freshwater, professor at the University of Kentucky and Program Manager of TVA Rural Studies. Why? The diverse nature of rural America makes it impossible for federal policy to address the development needs of all rural places. A single policy can't do it, because it would have to be designed to suit average conditions and the diversity of rural places makes the average an inadequate measure. At the other extreme, the federal government is incapable of tailoring unique solutions to specific places. Indeed, perhaps the biggest role for the federal government is through policies on Social Security, Medicare, minimum wages, and environmental standards.

What about state and local government, then? Obviously, states play a role in the well-being of their rural areas. Transportation and education policies are two prime examples. Yet, in some ways, substituting state government for federal would simply be substituting "one top-down program for another." More and more, then, local governments are stepping up to bat.

"Diverse needs and opportunities are the obvious reason for doing so. If you cannot conceive of a national or state rural development policy that is both flexible enough to serve the needs of most rural places and cheap to administer, then you are driven to locally-based policies that allow the use of a variety of federal and state programs in ways that are appropriate to that place. In addition the notion of locally based development fits into the current political culture of making people responsible for their own future and requiring them to invest their own resources. It is consistent with the notion of federalism advanced by President Reagan when he argued that projects that convey mainly local benefits should be the responsibility of local governments, not the national government."

Nevertheless, locally based strategies have some obvious deficits, says Freshwater. First, is the competition that arises among communities in the search for jobs and income. Second, are the non-local problems that can occur from "locally efficient" strategies—such as the mass migration and urban problems that resulted from the mechanization of farm labor. Finally, the Federal and state governments are left paying for programs whose value is determined by local governments—a situation that would be hard to sustain.

So much for who, how about "what"? Complicated though rural policy is, one thing is crystal clear at the beginning of the 21st century: rural areas must find development strategies that are acceptable to the urban majority. With three-quarters of the population and an overwhelming majority of the dollars and votes, urban America has the ability to influence rural policy. And that presents a problem, especially with respect to

the environment. According to Freshwater, "Urban America has become increasingly suspicious of rural decisions and behavior. Rural residents are no longer seen as stewards of the nation's resources."

Equally clear, is the need for rural areas to create value and find customers for it outside the local community. If they cannot, they must either live off of transfer payments or disappear. Finding alternatives will not be easy; however, some approaches show promise. Developing tourism and recreational opportunities and attracting retirees has worked for some areas. But not all areas have the requisite natural amenities. Entrepreneurship is another approach that has shown success, but to date we know very little about promoting it.

Regardless of the development strategy, social policy must play an important role, because many in rural America need help with education and training if they are to compete.

Finally, all of this will "require that rural interests do what to date has been impossible and that is to fuse a stable coalition that can advance the rural perspective on a broad range of issues." To accomplish that, rural groups will have to develop a new paradigm—one that lets them see how their individual interests are best served by working toward mutual interests.

Freshwater's report can be found at:

<http://www.rural.org/publications/Lackey99-11.pdf> or you can contact the TVA Rural Studies program at 606-257-1872 or by e-mail tvars@rural.org.