

Managing Rural Policy in a Federal System of Government

Lack of coordination within the Federal Government and among the Federal, State, and local governments has led to ineffective rural development policy. Federal departments each pursue their own version of rural policy, which may sometimes duplicate and conflict with other departments' efforts. Effective national policy must achieve strong Federal-State-local government collaboration and must include rural communities' and the private sector's input in decisionmaking.

IN light of rural America's needs, our government's management style does not fill the bill. We have attempted to meet rural America's needs—indeed, all of America's needs—on a project-by-project basis. We have assumed that single solutions fit all problems. This approach has led us to address complex issues in an *ad hoc* manner. It has also led us to accept, even to expect, micromanagement from Washington. Many of our solutions offer little more than Band-Aids that treat only symptoms and not the underlying disease.

Institutional problems lie at the heart of our Nation's inability to respond effectively. And until we establish the institutional capacity to respond, we have little hope of making more than random dents in a large and difficult problem. These institutional problems have two principal dimensions: organizing action within any one level of government (horizontal coordination) and organizing it across several levels of government (vertical coordination).

Horizontal Coordination Within the Federal Government

A successful cross-country bus excursion depends, at a minimum, on the ability of the driver to map out a route and stick to it. The analogy applies to rural development. Our limited national resources require unified, purposeful action to enhance rural America's ability to reach its potential. The problem, at the level of the Federal Government at least, is that on this bus ride, the passengers have each chosen different routes, and they are all trying to drive.

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Rural development is a difficult area in which to make policy because it crosses so many issue areas. To strengthen rural America, advances are needed in health care, in the creation of innovative industrial activity, in the skills of rural workers and business owners, in transportation and communications, and in other areas. Each of these areas falls under the responsibility of a different department; in some cases, such as business development, several agencies have responsibility.

A coherent response to rural America's needs requires coordination among the individual programs that touch on rural problems. Currently, however, the Federal Government lacks the capability to provide that coordination. Rather than acting together, Federal departments each pursue their own version of rural policy. No mechanism exists to identify or eliminate duplication or conflicts between programs, to articulate their contributions, or to fill gaps between them. In effect, nobody is in charge of rural development.

It seems reasonable to ask why the Federal departments cannot simply be directed to cooperate. After all, in a private corporation, the chief executive office (CEO) would assure that the various divisions of the company worked together. The situation in government, however, is more complex. Unlike CEO's, presidents do not have effective control over all units of the executive branch. Aside from major questions of policy direction, government policy is not made solely by the President or by Congress. Instead, it results from accommodations reached within individual "subgovernments"—alliances among congressional subcommittees, pressure groups, and agency officials concerned with any particular issue. Neither the President nor Congress as a whole exercises major control over the day-to-day policymaking within these subgovernments.

The rural policy problem in the Federal Government stems from the division of rural issues into many little subgovernments. Policy for rural health is made in one, transportation in another, job training in a third, and so on. This fragmented system provides no real opportunity for coordinated rural policy. Lacking that coordination, it is no surprise that Federal rural policy lacks coherence.

Because rural policy is made in this way, we have fallen into a "project" mentality for solving public problems. We try to solve problems by applying individual programs. We act on the basis of a short time horizon, seeking temporary relief from immediately pressing problems but ignoring the underlying, and often very different, long-term issues that become the problems of tomorrow.

The project mentality stems, at least in part, from the fact that we have not taken the time to understand the roots of rural America's problems and the connections between different aspects of those problems. The Federal Government lacks meaningful institutional capacity with the demonstrated ability to take and implement a broad, strategic view of rural needs and their solutions. This is not offered as an excuse for our poor national performance in responding to rural America's needs. It is a critique and a challenge to which we must respond.

Vertical Coordination in Our Intergovernmental System

The rural policy problem is greatly compounded by the fact that the Federal Government, in and of itself, has neither the authority nor the tools to address all of rural America's needs. The U.S. Constitution left economic development as one of many issues to be shared among levels of government. The Federal, State, and local governments each have major roles in rural development.

The problem of coordination that exists horizontally within our national government also exists vertically within the intergovernmental system. Federal Government actions are frequently not coordinated with the policies and programs of individual States, and the fit between Federal and State policies and local aspirations is frequently not very tight.

The problem is hardly trivial. Although the Federal Government's institutional and intellectual resources give it an opportunity to provide critical leadership in rural development, the responsibility for funding and carrying out rural development programs rests with States and rural communities themselves. Given this structure the question is, can we as a Nation adopt a unified, strategic rural development policy?

Responsibility for intergovernmental coordination does not rest with the Federal Government alone. Under our system of shared powers, the Federal Government has no responsibility for the actions of States and localities. The Federal Government alone cannot solve this organizational problem. Instead, all major participants must be constructively involved in finding joint solutions.

The Possibilities

Daunting though rural America's problems may appear, there is hope. Working together, we can rectify the management problems and address the challenges confronting rural America. Our ability to resolve these structural deficiencies is limited only by our creativity. As a first step, we should set the following fundamental objectives:

- Strategically focus on enhancing rural America's economic competitiveness;
- Adopt a consistent focus on rural development that yields a policy that is stable over time;
- Coordinate Federal Government policies;
- Achieve strong Federal-State-local collaboration; and
- Respect the critical roles of rural communities and the private sector and involve them in economic development efforts.

We must institutionalize these objectives to ensure that they are accomplished. Several mechanisms, some of which already exist, could, if properly encouraged and supported, go a long way toward meeting these goals.

A cabinet-level policy group composed of representatives from departments with rural development responsibilities could make considerable headway in accomplishing overall policy coordination with the Federal Government. In the Bush Administration, the Economic Policy Council's Working Group on Rural Development performed this role, but since that was not a permanent body, a new mechanism is needed now. I emphasize the importance of strong coordination within the Federal Government, which such a body would have the opportunity to bring about. Without strong, articulated support from top policy officials, meaningful coordination within the Federal Government is unlikely to occur.

A second mechanism that can help achieve improved coordination among levels of government and the private sector is State Rural Development Councils (SRDC's). The councils, initially formed on a pilot



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basis in eight States, were largely successful in promoting communication and collaboration among community participants, Federal, State, local, and tribal governments. These pilot councils were later extended to additional States, and today SRDC's exist in 36 States. These collaborative bodies have the potential to fill a critical void that exists in rural policy management.

Finally, the President's Council on Rural America made an important contribution by assessing rural America's needs and the policy structures that are required to develop strong and effective responses to them. In the fall of 1992, the Council presented recommendations to the President on how a policy sphere as diverse and fragmented as rural development can be effectively managed and led.

The Council drew recommendations from conversations with rural development professionals and laypersons, who clarified the problems facing rural communities. We learned that rural communities have the will and the desire to improve their quality of life. However, they ask that the Federal Government provide technical assistance in understanding the roots of the challenges they face, information on the alternatives available to them, special sensitivity to the unique problems that face each region, and flexibility in the implementation of Federal programs intended to help rural communities reach their development goals. The Council offered the President a means to respond to rural America's request: a proposed structure by which the Federal Government can help rural America to help itself.

What We Must Do

As a Nation, we must take up the rural development challenge. The health of the rural economy and the well-being of its people are important to more than rural citizens themselves. They are also critical to the Nation's overall ability to maintain its competitiveness and standard of living as well as to manage its national resources.

Our task is difficult. It calls on the best we can contribute, but it is not impossible. We have it within ourselves to find better ways to do the job. Doing so, however, requires a commitment at all levels to succeed where past efforts have failed. At a minimum, the following is needed:

- A commitment from the highest levels of government to create an effective response to rural America's problems and to devote the institutional and intellectual resources needed to accomplish the task;
- A willingness to examine closely what we have and what we have not done in rural development;
- An openness to forge effective working relationships with other organizations that have a stake in rural development and that have resources to contribute to its accomplishment;
- An investment in identifying the practical benefits that can be expected from alternative rural development strategies;
- A willingness to move beyond programs we have found comfortable and to experiment with new ideas;
- A desire to exercise our creativity to build new strengths to supplement the best of what we now have in rural America.

These commitments are within our power to make; they require a willingness to start anew to build a stronger rural America. If we take this step toward building a structure that is flexible enough to respect each community's differing needs and aspirations, that integrates and articulates the elements that can contribute to stronger communities, and that links our knowledge about rural America and rural development with strategic purpose, we will have taken the first steps toward a vital rural America. We will have set the foundation for development that can last longer than a lifetime. It is a giant leap we can take by beginning with small steps. It is a path we must follow.