Meeting the Growing Challenges of Rural Local Governments

Reduced Federal funding and dramatic economic changes during the past decade make it difficult for local governments to meet their increasing responsibilities. Rural governments are especially disadvantaged, due to low population density, fragmentation of efforts, and a reliance on part-time, volunteer public officials. Effective strategies to help rural governments will consider their unique needs during the policy development stage and improve the management capacity of rural officials.

LOCAL governments share responsibility with Federal and State Governments to finance and provide education, transportation, environmental, emergency, and family services to their citizens. Increased local government responsibilities, combined with dramatic economic changes over the past decade, have made it increasingly difficult for both urban and rural local governments to provide public services.

Tax reform and technical assistance from State agencies represent important first steps to address the special difficulties of providing public services in rural areas that are characterized by low population density, part-time volunteer public officials, and large numbers of small governments. This article discusses the challenges currently facing local governments, the special difficulties faced by rural communities, and potential solutions.

Challenges for the 1990's

The 1990's present a number of challenges for rural local governments as they deal with continuing economic changes and a reduction in Federal funding. Rural officials also face increased demand for public services, new responsibilities, and aging infrastructure.

Facing Rapid Growth or Economic Decline. The 1980's was a decade of major economic change for most communities. For example, more than 250,000 manufacturing jobs were lost in Pennsylvania. Rural communities have been particularly hard hit by declines in manufacturing and mining employment. In Pennsylvania, unemployment remains higher than the statewide average in 23 of 25 rural labor markets. Economic problems, particularly in the western half of the State, are eroding local tax bases.

Many rural regions are wrestling with problems of urban spillover and rapid growth in public service demands. Population increases severely strain the ability of local government to continue providing basic services to its population. In areas facing either rapid growth or economic decline, the ability of local government to meet public service needs is being taxed by economic forces beyond its immediate control.

Reduced Federal Funding. Beginning with the New Deal era of the 1930's, Federal funding to local governments increased steadily until the early 1980's. Federal dollars played an important role in helping local governments meet their growing public service responsibilities. The 1980's was a dramatic reversal of this historical trend.

In 1982, aid to local governments declined for the first time since the 1930's. In 1986, General Revenue Sharing lapsed. In an era of growing public service demands, State and local governments are struggling to find new revenues to compensate for the loss of Federal financial assistance.

New Responsibilities. Since the early 1970's, local governments have increasingly had to accept new responsibilities. This is particularly true in the area of environmental planning. Federal and State regulations pertaining to issues such as water quality, solid and hazardous waste management, and farmland preservation have created new oversight and planning responsibilities for local governments.
An example of new local government responsibilities is outlined by Pennsylvania’s Act 101 of 1988. This legislation mandates that counties develop waste plans that will provide a blueprint for municipalities to follow. This same act mandates recycling programs in over 400 communities. While the legislation does provide funding and technical assistance to communities to assist them in complying with the new requirements, many local government officials are challenged to accomplish environmental planning tasks for which they have no previous training or experience.

**Increased Demand for Public Services.** Economic and demographic changes are creating new public service demands. For example, the growing complexity and increasing skill requirements for many jobs have placed a greater premium on providing quality education. With a growing proportion of the population reaching retirement age, additional services for the aging are needed. Demand for public services such as these is growing faster than local revenues for providing them, particularly in rapidly growing regions.

**Aging Infrastructure.** A significant share of the Nation’s roads, bridges, sewer, and water systems were constructed during the 1930’s and 1940’s. Local governments are challenged to maintain and rebuild these key components of their infrastructure. While recent legislation and local initiatives have been developed to address infrastructure problems, many communities, particularly in rural areas, are still challenged to maintain and rebuild key infrastructure facilities. In the long run, failure to meet this challenge will lead to loss of jobs, population, and tax revenues.

**Rural Governments Face Unique Problems**

Many of the local government challenges outlined above are common to rural and urban communities. However, the solutions to rural government problems are often different because rural communities are typically characterized by part-time and volunteer public officials, low population density, and large numbers of small governments. Recognizing the differences between rural and urban governments is essential to formulation of effective policies and programs aiding local governments. Some examples from Pennsylvania illustrate these differences:

**Reliance on Part-Time and Volunteer Officials.** In rural Pennsylvania, day-to-day local government affairs are managed primarily by part-time and volunteer officials. There are 13,000 elected officials, plus thousands of authority and board members, all of whom make vital resource decisions daily that affect the availability and quality of services in rural Pennsylvania. Often, these officials have limited or no previous training or experience in making such decisions, and unlike urban areas, they have no professional planning staffs to aid decisions.

**Low Population Density.** Rural areas are more sparsely populated than urban areas. In rural Pennsylvania, density is 83 persons per square mile, compared with 561 per square mile in urban counties. The cost per taxpayer of providing many public services goes down as population increases; therefore, rural communities are often unable to afford the same level and quality of public services as urban communities.

**Fragmentation of Efforts.** Rural Pennsylvania is made up of 1,975 local municipalities. In addition to township, borough, and county governments, there are numerous municipal authorities and regional councils. The sheer number of local government units often confounds attempts to encourage local cooperation in the daily delivery of public services.

**Improving Management Capacity of Rural Governments**

Both legislation and State agency support can help local governments meet the challenge of financing and providing public services. However, the effectiveness of new State initiatives in meeting the needs of rural local governments will depend, at least in part, on the ability of rural communities to overcome the special barriers they face. Among the most effective actions that can be undertaken to assist rural communities is to improve the management capacity of rural local governments.

The planning and delivery of public services in urban communities is managed primarily by career professionals whose full-time job is municipal management. In contrast, the affairs of rural communities are, for the most part, managed by public service-minded citizens who hold down full-time jobs outside of government and devote evenings, weekends, and part of their workday to the service of their community.

While self-management of government affairs by local citizens is in the best traditions of our democratic heritage, there are growing disadvantages. Most notably, many rural communities lack adequate expertise and management capacity to deal with the complex new challenges they face. Adequate expertise and management capacity require the ability to anticipate and influence change, make informed decisions about policy, attract and absorb resources, manage resources, and evaluate current activities to guide future action.

A lack of management capacity at the local level often leads to an underutilization of existing programs in rural areas. Rural communities often are unaware of existing State and Federal programs available to help
them solve local problems, or they lack the local resources necessary to take advantage of available programs. For small rural governments lacking a full-time planning staff, the task of sorting out the available options and applying for assistance is a major undertaking.

There are no simple solutions to assisting local governments to more effectively manage their affairs. However, possibilities include direct technical assistance, circuit riders, encouraging intergovernmental cooperation, and more thorough consideration of unique rural needs in the policy development stage.

Technical Assistance. Many State agencies provide local governments technical program assistance, usually on community request. The Pennsylvania Infrastructure Investment Authority, for example, reviews local needs for water and sewer facilities and provides assistance to individual communities. The Pennsylvania Department of Community Affairs consults with local officials to help them as they plan and implement economic development and land-use strategies. Regional planning organizations and private consultants also provide technical assistance to rural areas.

Current efforts to expand technical assistance to local governments through higher education networks offer significant promise for rural areas. Another positive development is the recent policy position of the National Cooperative Extension Service urging its State land-grant affiliates to increase resources devoted to educational and technical assistance programs for rural local governments.

Much of the network is in place to more effectively deliver technical assistance to rural communities. Campuses of the Commonwealth's State System of Higher Education, branch campuses of State-related institutions, county extension offices, and community colleges are distributed strategically throughout rural Pennsylvania. The network, however, fails to serve many communities because the current programs are small relative to the need. Reevaluating current technical assistance programs to reap the full benefits of the existing network is one approach to increasing the capacity of rural leaders.

Circuit Riders. Circuit riders are personnel assigned to provide long-term technical assistance on an ongoing basis to an assigned group of communities. Circuit-rider programs are an important tool for meeting technical assistance needs of widely dispersed rural communities. For example, their personnel can train local officials and provide administrative services (such as grant writing, grant management, budgeting and financial management).

A circuit-rider program would help rural officials use local volunteers more effectively in providing key public services. Strengthening the voluntary sector as a means to improve service delivery in rural areas has received increased attention recently from policymakers, extension personnel, and academics. However, attention to the volunteer sector has meant neglect of the roles that government officials must play in cultivating third-party relations. It may be that negotiation and mediation strategies that involve elected rural officials and other community actors are what is necessary to deal with planning and environmental problems. If so, rural officials need a better understanding of the art and science of negotiation and how to improve their skills. This is yet another capacity-building skill that can be enhanced with circuit riders, further leveraging rural resources.
Encouraging Intergovernmental Cooperation. The capacity of rural governments to finance and provide public services is greatly constrained by low population density (resulting in higher per unit costs to taxpayers) and regional structure composed of large numbers of small governments. Encouraging greater intergovernmental cooperation in planning, financing, and providing public services is one approach to overcoming these problems.

For example, school consolidations have been widely used in rural school districts to reduce the cost and increase the quality of education. Rural government consolidation to lower costs and improve performance, however, may not yield substantial gains. Savings from such actions are often small, and much of the savings are offset by increased travel costs. In addition, consolidating schools and other government services is often strongly resisted by a rural citizenry powerfully identified with their rural community.

Intermunicipal units offer a unique opportunity to solve a problem or deliver a service that would be much more difficult and more expensive to achieve as a small town working alone. An intermunicipal unit (such as a Council of Governments [COG]) is a voluntary organization of local governments established to accomplish a set of agreed-upon activities. Rural governments, whose small staffs may have the most to gain from participating in intermunicipal efforts, are underrepresented among COG's. For example, less than 20 percent of rural municipalities in Pennsylvania participate in an intermunicipal unit, compared with more than 50 percent of urban municipalities.

Among the alternatives to formal consolidation is increased regional cooperation in service delivery. Economies of scale may be achieved by combining service delivery efforts among geographically close communities. Joint purchasing arrangements help cooperating governments to benefit from lower prices through volume buying. Joint service administration can lower overhead and improve quality by allowing the use of more specialized capital equipment or highly skilled technical personnel than possible for a single government. Regional government can assist communities with specialized, technical issues and cut costs.

Considering Rural Needs in Policy Development Stages. Existing programs are often underutilized in rural areas because the unique characteristics of rural areas are not taken into consideration at the policy formulation stage. For example, while literacy is a problem of considerable concern in rural areas, two-thirds of Pennsylvania's rural counties do not take advantage of literacy programs under Pennsylvania's Act 143 of 1986. Factors such as geographic isolation, lack of rural networks, high cost of service delivery, and funding allocation criteria linked to sociodemographic makeup account for the underuse of existing literacy programs in rural areas. If innovative new programs are to have success in solving rural problems, factors such as these are best taken into consideration at the policy formulation stage.

Conclusions

The institutional capacity of rural local governments is of fundamental importance to development. Local governments are important direct providers of public services, and they implement State and Federal Government policies. Rural governmental units are important in the communication linkages among citizens, all levels of government, and other institutions. Overall, the responsibilities of rural governments continue to increase.

Local governments face many new challenges, due to dramatic economic changes and Federal funding reductions, coupled with increased service demands, new responsibilities, and an aging infrastructure. Rural governments are particularly challenged. They rely heavily on part-time and volunteer officials, have low population density, and are so numerous that development efforts are fragmented.

A key to effective use in rural areas of existing and potential development initiatives is the capacity of part-time and volunteer leaders to manage their community's affairs effectively. Rural institutions must have sufficient authority to undertake their roles, existing and emerging. Adequate financing is necessary to implement governmental responsibilities. However, expertise, management capacity, and good strong leadership are keys to ensuring that authority and resources are used wisely.

Effective policy in rural areas begins with an understanding of the unique circumstances of rural communities. It is attuned to the qualitative differences between rural and urban communities that translate to differing modes of service delivery and program design. Rural communities face unique disadvantages in financing and providing public services. Recognizing that fact early in the policy development stage will improve the likelihood that new programs established through legislation will be used effectively.

One of the best ways to help rural governments is to improve the expertise and management capacities of rural officials. Ways to increase the management effectiveness of local government include technical assistance, circuit riders to encourage intergovernmental cooperation, and consideration of rural needs in the policy development stage.
In response to declining population, the loss of local jobs and businesses, a shrinking revenue base and decreased Federal funding, small rural communities are struggling together to save their economies and their way of life. Once in "healthy" competition for everything from jobs to the regional basketball title, small rural towns are forgoing historical power struggles and cooperating across legislative and political boundaries in order to remain viable. Through cooperation, or multicommunity collaboration, many small towns now face together some of the same economic and demographic forces they once battled separately.

Multicommunity collaboration is a strategy that allows rural towns to retain local identity and autonomy while making use of the resources in neighboring communities. Sharing resources is essential to small towns because no single rural town can provide all the entrepreneurship, all the producer services, all the human resources, all the institutions necessary to compete with large urban areas. By bringing together the best that each small town has to offer, multicommunity collaboration optimizes the capacity in each of the towns, thus increasing the survivability, or competitiveness, of the entire area.

Multicommunity collaboration is particularly evident in the Great Plains where programs such as Minnesota's Project Future and Iowa State University's Tomorrow's Leaders Today actively support cooperation among communities. Cooperation among sometimes rival communities takes several forms, including joint marketing, the joint purchasing of both goods and personnel (circuit riders, for example), and consolidation of schools and services.

Examples of collaboration compiled by the North Central Regional Center for Rural Development reveal the wide variety of business people and organizations who currently support multicommunity collaboration. Among them are bankers, business owners, chambers of commerce, cooperative and university extension agents, realtors, newspaper publishers, merchants' associations, local educators, elected officials, and civic organizations. Cooperation is also occurring across Native American tribes and between Native and non-Native American communities.

Some cooperating communities come together because of a sense of loss of control or of having been forgotten by their State government. They collaborate for a variety of purposes: to strengthen mainstreet businesses so they can compete with regional malls, to solve a specific problem (such as creating a regional landfill), to promote tourism, to deal with depopulation and the loss of major industries, to improve health care and housing, to improve recreation in the area and, not least of all, to retain and expand business. (See readings listed below for detailed descriptions.)

Collaborative efforts reflect the needs of the communities involved, the resources available, and the priorities of the effort's protagonists. The activities of multicommunity organizations vary widely and have included staging special multicommunity events, organizing strategic planning sessions, providing or facilitating leadership and business training, establishing revolving loan funds, accessing State and Federal funds, establishing industrial parks, building golf courses, providing joint police protection, and building or improving regional landfill and sewage systems.

Multicommunity collaboration has resulted in a wide variety of organizational structures, ranging from informal networks and community associations to legal structures such as solid waste districts and nonprofit development organizations. Through collaborative efforts, small rural towns as a group have enlisted the help of regional planning agencies, State programs and staff, university staff and faculty, and utilities. Collaborating organizations have varying relationships with local governments. In some cases, these organizations are, in effect, an extension of the local governments.

Multicommunity collaboration provides a strategy for dealing with a small population base. By consciously extending the boundaries of their "community," small rural towns can build a stronger region from the talent, energy, and economic power of people from neighboring towns.

Anicca C. Jansen, Agriculture and Rural Economy Division, ERS.

Also see...

In this special policy issue, we are including a list of brief book recommendations in place of our standard full-length book reviews. A few months ago we asked a broad range of experts in fields related to rural development to recommend one or two of their most valuable books to our readers, the books they place at an easy arm’s reach from their desks. The following paragraphs were compiled from their responses.

Far From Home: Life and Loss in Two American Towns

Powers conducts two journalistic case studies, one of Kent, Connecticut, a prosperous rural community faced with growth pressures, and the other, Cairo, Illinois, a depressed Southern Illinois town. In both towns, Powers interviewed local officials, residents, and community leaders, and attended community meetings. The case of Cairo is particularly fascinating. Cairo has a long sordid history of racial hostility. Powers described this history and provides small glimpses of hope for racial cooperation as part of the development effort. The book is also interesting for its rich description of Doc Poston, a dedicated economic development practitioner; its insights into the importance of local politics in any community-based economic development effort; and its vivid depiction of the dashed hopes of a town that had hoped to become a tourist mecca.

(Marie Howland, University of Maryland)

Rural Economic Development in the 1980’s: Prospects for the Future

This edited collection lays out the salient rural development issues of the time. It describes the environment in which rural policy is made and then explores the alternatives available in relation to a series of issues. The issues addressed are the rural labor force, agriculture, rural manufacturing, natural resource industries, services, macroeconomic forces, government programs including those focused on rural development, agriculture, infrastructure, financing, and human resources. Collectively, the volume describes the condition in rural America and the problems facing policymakers. While lengthy, this volume is quite thorough and easily read. It brings together some of the best thinking on this topic.

(Thomas Johnson, Virginia Tech)

The Arguments of Agriculture: A Casebook in Contemporary Agricultural Controversy

A short (118 pgs.) and delightful read on the moral, ethical, scientific, and historical roots of contemporary political battles over agricultural policies and programs. Each chapter begins with a case study that illustrates an issue and then reviews points of similarity and difference among the various positions on the issue (for example, "Agricultural Techniques" or "Food Across the Border"). The emphasis is on recognizing that the arguments about agriculture today have been going on for centuries, albeit in different terms, and that the issues and how we choose to deal with them affect the daily lives of farmers and all citizens in America and the world. I believe that everyone who is interested in agriculture as an industry, as a target of government policies, and as a way of life should read this book and ponder the questions it raises.

(Lorraine Garkovich, University of Kentucky)

The People Left Behind

Unlike most policy studies, this one focuses both on the implementation of policy and on the agents involved in implementation at all levels of government. This focus on how programs and policies work out, and on the institutions involved at all levels in rural development stimulated my interest in intergovernmental relations.

(Sandra Osbourne, Congressional Research Service)
Profit Cycles, Oligopoly, and Regional Development


Providing a new theory of regional development, this book builds on the Schumpeterian and Marxist work on innovation, on product cycle theories, and on theories of industrial organization. After outlining the theory, Markusen reports on a detailed case study of the steel industry and 14 other industries. All but one of the industries displayed results consistent with the profit cycle theory. While this needs further empirical testing, Markusen’s approach can provide valuable insights for these sectors and a useful tool for understanding the behavior of an area’s firms.

(George Morse, University of Minnesota)

Broken Heartland: The Rise of America’s Rural Ghetto


Written for the popular press, this book examines recent trends in rural economic development. Davidson makes the case that current economic development strategies, rather than offering solutions, are creating new and more complex problems for rural areas. The book is anecdotal and uses interviews to look specifically at a number of small communities. The author offers a comparison between the evolution of urban ghettos and the economic, social, and political "direction" of some small rural communities in the upper Midwest today.

(Roger Steinberg, University of Minnesota)

Economic Theory and Under-Developed Regions


Providing an alternative to the equilibrium version of neoclassical economic growth, this book explains uneven development and inequalities between countries and regions within countries. It suggests a pattern of circular and cumulative causation.

(Emery N. Castle, Oregon State University)

The Globalisation of High Technology Production: Society, Space and Semiconductors in the Restructuring of the Modern World


Henderson examines the dispersion of the semi-conductor industry into three developing nations. Governments in these countries realized that continued dependence on low-skilled jobs was not a path to development, because these jobs either move on to even lower wage regions or are mechanized and eliminated altogether. Moreover, these jobs inevitably provide low incomes and little upward mobility. All three countries undertook conscious strategies to use low-wage work as a stepping stone to higher level production. Many of these lessons from abroad are applicable to rural America. For example, we might adopt strategies to upgrade rural technical skills and promote new investments in existing rural firms.

(Marie Howland, University of Maryland)

The Diverse Social and Economic Structure of Non-metropolitan America


A pioneering study designed to sharpen knowledge of rural areas by looking at them not in terms of national averages but in terms of distinct types (the authors identify seven). While this complicates consideration of rural areas, it also makes it possible to tailor policy to specific types of rural areas designed to meet the particular needs of particular places.

(Sandra Osbourne, Congressional Research Service)
Spatial Divisions of Labor: Social Structures and the Geography of Production


Massey’s major thesis is that employers or owners frequently use the location of their firm or business to help assure the competitive success of their enterprises. According to Massey, it is the combination of technological and organizational decisions by employers that has led to the observed distribution of employment among rural and urban local labor markets. Just as sectors of the economy have developed unevenly over the years, so too have different areas of the country developed unevenly. In general, this uneven development has led to a concentration of employment opportunities in upper-level white collar occupations and expanding industries in the geographic centers of the economy (that is, in the cities) and a concentration of routine production occupations and declining industries in the geographic periphery (that is, in rural areas).

Local economic performance involves much more than simply the number of jobs gained or lost. Jobs in a strong local economy should offer safe and stable employment opportunities that allow for an adequate and secure standard of living. Massey’s book helped me understand why the local economies in rural areas are not performing like those in urban areas.

(Molly Sizer Killian, Rural Policy Research Institute)

Work in the Fast Lane: Flexibilities, Divisions of Labor and Inequality in High-Tech Industries


This book is an important addition to the growing body of research that examines the sober side of high technology industry development. By distinguishing between static and dynamic flexibility, the authors show that American firms are pursuing a form of high-tech industrial organization that harkens back to more traditional industrial sectors such as steel, autos, etc. Thus, contrary to high-tech enthusiasts’ penchant for exaggeration about the revolutionary nature of these industries, Colclough and Tolbert attempt to show that high-tech industries are not creating a better and more competitive future for America’s communities and workers.

(Amy Glasmeier, Pennsylvania State University)
Regional Policy in a Changing World


Hansen, Higgins, and Savoie provide an overview of regional policy in a global context. Following an abstract review of the history and theory of regional policy is a description of regional policy in various countries: the United States, Canada, France, Great Britain, Australia, Malaysia, and Brazil. A consistent approach among the various chapters makes comparisons among nations quite easy.

It is easy to focus on regional/rural policies as local phenomena. While this is true in an implementation sense, there are great lessons to be learned from examining the way problems are conceptualized and policy developed in other countries.

(David Freshwater, University of Kentucky)

Demands on Rural Lands: Planning for Resource Use


Using case studies primarily from Canada, Great Britain, and other nations, this book explores how various uses of rural lands can be planned for to ensure the minimum amount of negative effects on other users. Land use planning is a critical aspect of rural development, one that we often try to ignore because the issues are so difficult to resolve without feeling that somehow, someone's particular interests are affected. This is a "how-to" book. How to identify and characterize the resources and different users in a rural area and how to develop an information base that can be used in managing land use. The chapters can be somewhat technical, but the discussion of critical issues can be understood by all.

(Lorraine Garkovich, University of Kentucky)

Geography and Trade


Krugman's thesis in this compact presentation (141 pages) is that economic forces encourage the concentration of economic activity into a limited number of urban centers of urban areas. Using intuitive examples, historical evidence, and mathematical models (in appendixes), Krugman provides evidence that the spatial agglomeration of economic activity is more likely than decentralization to many small communities. The implications of this book are that rural areas are at a significant disadvantage in the competition for economic activity.

The principal contribution of Krugman's lectures is the concise and theoretical framework provided for urban-rural relationships. An understanding of these relationships is a valuable foundation for rural economic development and policy.

(David Barkley, Clemson University)

Social Policy and the Rural Setting


Aimed primarily at social work professionals, policy analysts, and policymakers, this book offers an early, in-depth look at human services delivery and a plan of action for improving performance in rural areas. The authors demonstrate that social policy, generally formulated from an urban perspective, affects rural areas differently than it does urban places. The immense diversity of rural America is used to develop a meticulously documented, thoroughly stimulating, and very well-written introduction to rural social policy analysis and formulation.

(Beverly Cigler, Penn State Harrisburg)
The State Policy Academy On Rural Economic and Community Development

With tight government budgets, high unemployment in rural areas, and increased international economic competition, it has become increasingly obvious to rural policymakers that more needs to be done with less. The Rural Competitiveness Academy is helping to produce the leadership needed to meet these challenges.

The academy, sponsored by the Council of Governors' Policy Advisors (CGPA), assists teams of high-ranking State rural policy officials to develop strategic policies that promote development and address the problems and opportunities of their rural communities. The academy works with its participants for 9 months, including two intensive 4 1/2-day workshops, optional in-State technical assistance visits, and two additional 2-day workshops with State team leaders.

Workshop sessions are hands-on, with team members developing plans and giving each other feedback while also incorporating ideas presented by lecturers (economic development experts who stay and consult with the participants). Team members develop a strategic, rural economic development policy unique to their State containing an environmental scan, a problem assessment, policy goals and objectives, and strategies. Members enhance their own leadership ability by improving skills in building broad-based support, dealing with legislatures, cooperating with other agencies, using the media effectively, and holding people accountable.

The 10 States that participated in the first academy, in 1990, came out with greatly varying results. The Arkansas academy team helped expand literacy services to an additional 30,000 adult learners, while advocating more public funding for public facility improvements, rural small business revolving funds, public parks, revolving funds for alternative agriculture (fruits and vegetables), and highway construction for rural areas. The Mississippi team focused on bringing together the many powerful rural players in the State who pursue separate but compatible goals, such as economic development and human resource development.

At least two teams have played a large role in shaping legislative agendas. The North Dakota team helped shape the agenda which became the focus of the Governor's State of the State and Budget Addresses in early 1991 and which was signed into law in May of that year. The legislation, called "Growing North Dakota," focuses on selective business growth and recruitment. It has created a new economic development agency, provided capital assistance for select businesses (such as value-added agriculture), and supported agricultural technologies research. The Wyoming team laid important groundwork for the State's first strategic economic development policy, released in June 1991. The policy, reviewed by most major stakeholders, including business leaders, aims to increase manufacturing and service sector employment in a State heavily dependent on energy and mineral extraction.

In States with strong rural programs, long-running teams can focus on fine-tuning and prioritizing these programs. Such was the case for Iowa, whose team expanded the most promising programs, such as the Rural Community Leadership Program. Academy participants helped to increase this program's budget for leadership development from $50,000 to $140,000 and designed a curriculum more flexibly tailored to each community's specific needs. Six States participated in the 1992 Academy: California, Hawaii, Idaho, Nebraska, New Mexico, and Virginia.

The Council of Governors Policy Advisors is a membership organization for the policy and planning staff of the Nation's governors. Through its office in Washington, DC, the council conducts research and provides technical assistance to States on a broad spectrum of policy issues. The Council has been affiliated with the National Governors' Association since 1975.

For more information, please contact Tom Bonnett of CGPA at 400 N. Capitol Street, Suite 390, Washington, DC 20001.

National Commission on Agriculture and Rural Development Policy

The National Commission on Agriculture and Rural Development Policy was established by the 1985 farm legislation to provide a broad and long-range perspective on U.S. agricultural and rural development policy. Composed of 15 members appointed by the President, with the chairmen and ranking minority members of the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry acting as ex officio members, the commission served as
an impartial and nonpartisan source on policy goals and initiatives and as a sounding board between State and national policymakers.

In 1989, the commission examined agricultural policy issues, including international competitiveness, production flexibility and efficiency, resource conservation, environmental quality, farm financial well-being, equity, marketing, and productivity. *Future Directions in Agricultural Policy*, the commission's report on these issues, was presented to the President and Congress in December 1989.

In 1990, the commission examined rural development policy issues. Commission members made field visits to many rural places to observe conditions and rural development projects. *Future Directions in Rural Development Policy* contains the findings and recommendations based on that examination.

The 1990 *Future Directions* emphasizes the need for a clear, well-defined policy to guide Federal, State, and local rural development efforts to promote rural development. Such a policy should strive to protect rural physical and cultural environments and promote economic self-reliance and adaptability to keep up with the changing international market.

The report calls for the Federal Government, as well as State and local governments, to:

- Review all policies to determine their effect on rural areas
- Improve information about rural conditions and development strategies
- Adopt a comprehensive approach to rural development
- Adopt a strategic approach to rural development
- Foster better coordination among rural development participants
- Incorporate flexibility in policies relating to rural areas
- Promote innovation and experimentation in the pursuit of rural development
- Make education a major component of rural development policies

The Commission's term expired after releasing that report. Many of its ideas, however, are being carried on by other initiatives. The National Initiative on Rural America, for instance, echoes the commission's calls to improve rural areas' economic competitiveness, to promote innovation and experimentation, and to better coordinate intergovernmental efforts. The 1990 farm legislation created the Rural Development Administration to bring greater Federal awareness of rural issues and to formulate a more focused, strategic approach to rural development issues.

The Rural Development Act of 1990

Title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (frequently called the Rural Development Act of 1990) aims to facilitate rural economic development in a number of ways, the most visible of which is the creation of the Rural Development Administration (RDA) within USDA to consolidate most of the department's rural development efforts.

The Rural Development Act made a number of adjustments to programs now under RDA's purview. It expanded eligibility for Water and Waste Disposal Loans and Grants to include infrastructure improvements for new businesses and industries. This program serves communities under 10,000 population which are unable to gain access to private loans, providing loans to them since the 1940's (at close to market rates) and grants since the 1960's. But until the act took effect, loans and grants were limited to infrastructure improvements for residential areas; now commercial and industrial expansion can also be assisted. For example, in northern Michigan this program assisted a community in expanding a sewer system even though 80 percent of the system's waste came from a cheese plant.

The act also changed the Community Facilities Program to make more communities eligible for low-interest loans. In FY 1993, $100 million in insured, direct loans will be available, and approximately 5-10 percent of these loans will go to communities that would not have received the loans or would have received them at a higher rate before the Rural Development Act. The loans go to communities under 20,000 population with strained resources for public facilities ranging from hospitals and nursing homes to volunteer fire departments and hydroelectric facilities.

USDA's Forest Service is also carrying out some of the act's rural development activities. The Economic Recovery Program, as authorized in subtitle G, chapter 2 of title XXIII, helps to provide alternatives for communities affected by changing management of public park and wilderness lands, such as the protection of nearby forests from resource extraction and other forms of development considered harmful to the environment. Begun in 1992, the program helps communities develop broad-based plans to diversify their economies; 171 local representative "action teams" have been organized for this purpose and have completed 127 plans already. The Forest Service provides technical assistance for these communities to implement their plans, such as help with writing proposals for grants, while sometimes also providing direct financial assistance.

Examples of projects supported by the Economic Recovery Program:
• In Stevensville, Idaho, the town is restoring an abandoned, environmentally damaging 22-acre landfill site along the Bitterroot River into a city park as part of a strategy to attract tourism and retirees.

• In Fremont County, Wyoming, a Bighorn Sheep Center was established to educate the public about wildlife and habitat management practices that have protected the world's largest wintering concentration of Rocky Mountain Bighorn Sheep.

• In Adams County, Idaho, the community has secured a building from the State of Idaho and is now working to set up a visitors center and interpretive museum to present information on logging, mining, Chinese culture, Native American culture, history of the salmon fisheries, and other items of regional interest.

• Magee, Mississippi, is trying to build and expand the community's leadership base by inviting emerging community leaders to attend a 2-day retreat, six 3-hour workshops, and to complete a 4-month community project.

Many programs mandated by the act are not yet up and running. These include the creation of a 5-year Rural Partnerships Investment Board to provide lines of credit to eligible entities in up to five States to establish local revolving funds. The revolving funds would be used to leverage private and public funds to invest in or guarantee loans to local rural businesses. Other programs would seek to enhance telecommunications technology in rural areas, to channel USDA funds to meet States' individual rural development plans, and to hire "circuit rider" wastewater technical specialists to be shared by rural communities.

Most of RUPRI's ongoing research now concerns Federal policy, and much of its research is regional in scope. It is striving to broaden its research base and to address more State-level policies as well. It is also building a set of indicators to help monitor the quality of life in rural areas, and to use in measuring the effects of selected policies on rural life.

For more information, please contact Jim Scott, RUPRI Director of Educational Services, at 134 Mumford Hall, Univ. of Missouri, Columbia, MO 65211; (314) 882-6542.

Regional Rural Development Centers

In the early 1970's and in response to an initiative by the Cooperative State Research Service (USDA), the land-grant universities established four regional centers to coordinate rural development research and education throughout the United States. The centers are located at Iowa State University (North Central Center), Pennsylvania State University (Northeast Center), Mississippi State University (Southern Center), and Oregon State University (Western Center).

The Regional Rural Development Centers address issues facing rural communities that are most effectively dealt with on a regional level, that is, issues that affect clusters of States or that require collaboration of several institutions to resolve. The centers strengthen and support individual State efforts by developing networks of scientists and extension staff from a variety of disciplines who identify important research and educational issues and then develop strategies for dealing with those issues.

The Rural Policy Research Institute

The Rural Policy Research Institute (RUPRI) is a multi-state interdisciplinary research and education institution with research centers at the Universities of Arkansas, Missouri, and Nebraska and Iowa State University and a coordinating center at the University of Missouri.

RUPRI was created in 1991 as mandated by the 1990 farm legislation. It is funded by a special grant from the USDA Cooperative State Research Service and is governed and staffed by the four host universities listed above.

RUPRI provides policymakers with the best available information on issues important to rural people and places. To do this, RUPRI synthesizes and builds upon existing research pertaining to rural issues, cooperating with dozens of institutions, including universities, associations, Federal agencies, and the Regional Rural Development Centers (see next short subject). RUPRI then presents its findings to policymakers in language they can understand.

In this endeavor RUPRI does more than just follow requests: it researches a broad range of policy initiatives and actively seeks out the decisionmakers involved with policies that, in RUPRI's judgment, affect rural areas, including policies that are not strictly "rural."

Thus, by showing legislators the rural impacts of their nonrural policies, RUPRI plays an important role in shifting the nature of policy dialogue. RUPRI uses many means to improve the rural policy dialogue including publications, conferences, presentations, and one-on-one informational briefings.
The Centers provide the "critical mass" necessary for some research and extension projects, bringing together researchers and resources from a number of States to collaborate on projects beyond the means of single institutions. Sometimes the Centers themselves join together, creating an even greater critical mass for rural issues that are interregional or national in scope.

The Centers also frequently provide seed money for these joint research projects. While these startup funds may make up only a small portion of total project costs, they have initiated projects that would not have otherwise occurred.

The Centers facilitate exchange of ideas among many rural development players, and they assist member States in responding to federally initiated requests for rural development projects and programs. They also publish books, newsletters and training materials; sponsor workshops; and refer people to useful programs and publications. The Centers have covered a spectrum of topics, including affordable housing, tourism and craft marketing, farm groundwater pollution potential assessment, foreign direct investment, children and youth-at-risk, and rural nurses' knowledge of and attitudes toward AIDS. Through all Center-supported programs, there is an intent to help rural people, leaders, and local officials to gain a measure of control over their future as they try to bring about rural development.

Two USDA agencies, the Extension Service and the Cooperative State Research Service, fund the Regional Rural Development Centers. Land-grant universities, various State and Federal programs, private foundations, and public interest groups also provide support. The director of each Center is responsible to a Regional Board of Directors from university and other rural interests in the region, and the Center staff (3-4 people, generally) are university personnel.

Anaconda, Montana, provides an excellent example of a Regional Center's impact on rural development. The area's extension agent, Barbara Andreozzi, attended a training session, "Getting Down to Business," in 1988, sponsored by the Western Regional Rural Development Center (WRRDC). Andreozzi took what she learned from this session about business expansion and retention to Anaconda, whose major employer, a copper smelting company, closed in 1980. She gathered approximately 45 volunteers to survey 82 businesses regarding their concerns. She reviewed the surveys and did what she could to address the needs she saw, passing information along to the Chamber of Commerce, the Local Development Corporation, and other institutions who might be able to help. She helped to convince Montana Power Co. to install a fiber optic phone system 2 years ahead of schedule.

For many of the concerns expressed in the surveys, Andreozzi went to WRRDC for further assistance. To help train businesses requesting advice on shoplifting control or marketing, WRRDC put Andreozzi in touch with people who had led workshops on these subjects in similar rural areas. WRRDC also gave technical assistance to Andreozzi to develop Anaconda's first master plan. These and other efforts helped retain two businesses that would likely have left, saving 60 jobs for the community of 15,000. Business expansion efforts have created 30 jobs, and a higher than average proportion of business startups have survived their first 2 years.

For these gains, Anaconda has spent little beyond Andreozzi's salary, and WRRDC has provided no direct payments to the community, serving primarily as a conduit for ideas.

For more information, contact the Regional Rural Development Centers: Northeast RCRD, 7 Armsby Building, Pennsylvania State University, University Park, PA 16802-5600, telephone (814) 863-4656; North Central RCRD, 216 East Hall, Iowa State University, Ames, IA 50011-1070, telephone (515) 294-8322; Southern RDC, P.O. Box 5446-6 Montgomery Drive, Mississippi State University, Mississippi State, MS, 39762-5446, telephone (601) 325-3207; Western RDC, Ballard Extension Hall 307, Oregon State University, Corvallis, OR 97331-3607, telephone (503) 737-3621.

Rural Development Perspectives, vol. 9, no. 1
National Initiative on Rural America

In March 1989, the Economic Policy Council of the Bush administration formed the Working Group on Rural Development (EPC-WGRD) to explore ways to improve the Federal Government's response to rural America's problems and report on its findings. On January 22, 1990, the President instructed then-Secretary of Agriculture Clayton Yeutter to implement the EPC-WGRD's report, "Rural Economic Development for the 90's: A Presidential Initiative," which called for improved coordination of existing Federal programs and a plan to empower rural community leaders to help achieve this goal. Specifically, the goals of the initiative were:

• To encourage the direct involvement of the private sector in planning and implementing strategies for achieving rural economic development;

• To better target rural development resources, emphasizing both areas and social groups that represent the best opportunities for improving the Nation's productivity and economic competitiveness;

• To develop close collaboration among Federal departments and agencies, and build new partnerships with State and local governments, to develop consistent approaches for achieving rural economic development; and

• To develop a comprehensive, long-term, strategic approach to rural economic development.

To achieve those goals, the initiative called for several actions.

Establish the Economic Policy Council Working Group on Rural Development as a permanent Cabinet-level policy body with responsibility for overseeing the National Initiative on Rural America. The working group was to ensure the continued availability of interdepartmental resources to support the Initiative and promote collaboration on the Initiative among Federal departments and agencies.

A staff-level Monday Management Group (MMG) of senior program managers was established to operate under the authority of the working group. A major accomplishment of the MMG is the establishment of a procedure to address impediments to rural development caused by Federal law, regulation, or agency practice. These impediments are identified and referred to the MMG by State Rural Development Councils after attempts to resolve the situation at the State level have failed. The MMG then refers the problem to the appropriate members of the working group for resolution. If the problem still cannot be resolved, an MMG task force is assigned to assess the issues and serve as mediator.

Create a President's Council on Rural America to advise the President on rural development needs and ways of improving the Federal Government's response to those needs. The President's Council, appointed by President Bush, was made up of 19 members and led by Winthrop P. Rockefeller, Chair, and former Governor of Nebraska, Kay A. Orr, Vice-Chair. In pursuit of its mission, the President's Council conducted public hearings across the Nation and reported its findings to the President. The report emphasized the necessity of empowering rural Americans to better their own quality of life and economy. The Council served from January 1991 to January 1993.

Create State Rural Development Councils (SRDC's) in eight pilot States to improve the pursuit of rural development within the State. The SRDC's, the key element of the initiative, continue as an experiment in cooperation and collaboration. SRDC's were first created in Texas, Kansas, Maine, Mississippi, Oregon, South Carolina, South Dakota, and Washington as pilot programs. The Councils are composed of representatives of Federal agencies at the State and regional levels; representatives of State government agencies; representatives of local governments; representatives of tribal governments from within the State; and representatives from the private for-profit and nonprofit sectors.

The SRDC's are assisted by an Executive Director who is a full-time, senior-level State or Federal official. Each SRDC develops its own procedures for forming the essential partnerships (Federal-State-local-tribal governments, as well as the private sector). The National Rural Economic Development Institute at the University of Wisconsin assists the Councils with organizational development and strategic planning.

Based on the success of the pilot phase, the remaining 42 State and 5 Territorial Governors were invited to collaborate with the Federal Government and form SRDC's. Over 40 States and Territories expressed an interest. Many of those are now creating Councils.

Expand the provision of rural development information to researchers, policymakers, and practitioners through the Rural Information Center at the National Agricultural Library. The Rural Information Center (RIC) is an important source of information about rural development. The RIC is a joint project of the USDA National Agricultural Library and the Extension Service, combining the technical expertise of Extension's nationwide educational network with the information specialists and resources of the world's foremost agricultural library. As a result of the national initiative, the RIC's activities and resource levels have expanded.
 Farmers,  
Farm Labor Contractors,  
Agricultural Associations!  

Find out what you NEED to know about hiring agricultural labor.

Agricultural employers need to understand the Federal laws and regulations that affect their employees. A Summary of Federal Laws and Regulations Affecting Agricultural Employers, 1992 provides ALL the details about:

- Health and safety regulations
- Pesticide laws affecting farming
- Protection of migrant and seasonal agricultural workers
- Employee wages, hours, and overtime pay
- Child labor restrictions, Social Security
- Who is covered and who is exempt
- Recordkeeping standards
- Equal employment opportunity laws
- Penalties for violators

This new report from USDA's Economic Research Service summarizes all the Federal laws and regulations that affect agricultural employment. It examines the Fair Labor Standards Act, Americans with Disabilities Act, and other recent regulatory changes. An “Additional Resources” listing directs you to other specialized government publications on pesticide safety, labor law, worker identification documents, and equal employment requirements for employers.


Order now!  
Call our toll-free order desk: 1-800-999-6779.
Want to subscribe? Time to renew?

Subscribe to Rural Development Perspectives today! If you already subscribe to this timely periodical, note that expiration information about your subscription appears on the top line of your mailing label. Expiration information will appear in one of three formats: 1-RDP-2 (this means you have TWO issues remaining in your subscription) or 940430 (expiration date is April 30, 1994) or APR94 (expiration date is April 1994). Disregard this notice if no renewal information appears. Call toll free, 1-800-999-6779, and tell us whether you want to subscribe or renew, or return this form to: ERS-NASS, 341 Victory Drive, Herndon, VA 22070.

Rural Development Perspectives

Yes! I want to start my subscription.

Yes! I want to renew my subscription.

New subscribers:

Name: ________________________________

Address: ________________________________

City, State, Zip: ________________________________

Daytime phone: (_____) ____________________

Renewals:

ATTACH MAILING LABEL HERE

Payment method:

Bill me (domestic orders only).

Enclosed is $___________.

Credit card orders: MasterCard Visa Total charges $___________.

Credit card number: ____________ Card expiration date: ____________

For fastest service, call our toll-free order desk 1-800-999-6779, in the U.S. and Canada; other areas please call 703-834-0125, or FAX this page to 703-834-0110.