

Getting Our Story Straight: Rural Facts in Search of the ‘Grand Narrative’

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With both House and Senate Ag Committee marks released, and Farm Bill negotiations beginning in both chambers, rural America once again will be in the domestic policy spotlight, if only for a few days. This did not go so well last time. However, as the outlines of a new framework emerge, media leads will likely target the end of direct payments, the re-regionalizing of Farm Bill commodity programs, risk management/crop insurance protection for new crops and interests, conservation compliance dynamics, SNAP funding as the ‘drop dead’ challenge, etc., etc.

What we will not see is this headline: “Ag Committees Commit to Major Rural Innovation Funding.”

In fact, although the Rural Development Policy Act of 1980 explicitly designated USDA as the lead federal Rural Development agency, and authorized the Secretary to create an expansive leadership role within the federal government for integrated federal, state, and local Rural Development programming, the Ag Committees have continued to chip away at Rural Development funding in recent years. Mandatory RD funding in Farm Bills has declined from \$300 million in 1996 to \$150 million in last year’s Senate bill and only \$50 million in the House bill. Additionally, the Ag Committees have cut overall USDA Rural Development budget authority by almost one-third since 1993.

This decline flies in the face of Ag Committee utterances supporting rural development, and creates an atmosphere of negative inevitability which is tremendously destructive to rural perceptions in the broader public domain. If the lead Congressional Committees for rural America are unwilling to fund her, surely there is a problem there! These perceptual fields assume their own life in the public arena, as we all know. The role of narrative in domestic policy debate is unquestionable, and one thing is clear about policy framing-it is much easier to generate support for a positive storyline than to overcome a negative one. And with that first order principle comes the second-all the facts on Earth may not be as good as a great metaphor! It is time for those of us who love rural America to acknowledge that we lack a Grand Narrative for her primacy in public policy.

In my last column, I referred to a recent OECD study, *Promoting Growth in All Regions*. Earlier this year, then-USDA Under Secretary for Rural Development Dallas Tonsager and current Acting Under Secretary Doug O'Brien hosted a USDA briefing in which Dr. Enrique Garcilazo, Regional Development Policy Division, Directorate for Public Governance and Territorial Development/OECD, and one of the principal authors of that study, presented its findings. This OECD research challenges the development framework the World Bank released in the 2009 World Development Report: *Reshaping Economic Geography*. OECD has now fully joined the battle between supporters of place-based domestic policy investments and those advocating the place-blind regional policies espoused by the World Bank, which argue that economic activity concentrates in agglomerating Global Cities, and should therefore drive domestic public investment. In contrast, the OECD study identifies substantial growth across the entire urban-rural continuum, and recommends investment in unexploited opportunities in all regions, rural and urban.

During the dialogue which ensued following Dr. Garcilazo's presentation, I suggested one of the greatest challenges we face is the lack of an engaging narrative which challenges the "growth engine" metaphor which urban advocates use in the Global Cities argument. In fact, many regional economists and economic geographers have offered scathing critiques of the World Bank study, and the OECD analysis adds significant weight to the data stacking up to challenge the World Bank perspective. But the "metaphor" has not been shaken; in fact, it has strengthened, over time.

Dr. Tim Wojan, a colleague in the Farm and Rural Business Branch/Economic Research Service/USDA who participated in that briefing, subsequently presented a paper at this year's Southern Regional Science Association meetings addressing this challenge, suggesting the "growth engine" metaphor of the Global Cities argument has no counter-metaphor from those supporting the strong weight of evidence in the *Promoting Growth in All Regions* data:

Unfortunately, the empirical evidence that casts doubt on the engines of growth explanation of regional and national growth is not accompanied by an equally compelling place-based explanation of growth. And without a compelling explanation, the empirical analysis is vulnerable to place blind counter-factual skepticism: might national and regional growth rates been faster if the densest places had actually been unbridled? This is not to say that the report is not written clearly and concisely. Indeed, the presentation of empirical data is very accessible. But even an accessible discussion of statistics, paradigm and theory in *Promoting Growth in All Regions* does not generate the confident "this must be so" verdict that emerges from *Reshaping Economic Geography*.¹

¹ Wojan, Timothy R. "Metaphors of Regional Policy: Global City Engines of Growth versus a Place-based Garden of Prosperity." Paper presented at the 52nd Annual Meetings of the Southern Regional Science Association, Arlington, VA, April 2013. Article cited with author's permission.

Dr. Wojan suggests that good metaphors which have captured the attention of laymen and policymakers cannot be dismissed, they must be displaced. Culture eventually trumps everything. The “rural” aura which once blessed American Agriculture has dimmed. We are in dire need of the engaging new rural metaphor, which should be centered within the following realities:

Growth -- This is the overriding global imperative of all nations, and the key to success is unlocking regional economic potential, through innovation. An urban view of the world, in which rural growth potential is discounted, does not optimize full national economic performance. In fact, Promoting Growth in All Regions has confirmed that not all high-growth regions are urban, nor all slow-growth regions rural. Furthermore, it finds more than two-thirds of OECD nations’ growth occurs outside mega-cities. This study also finds evidence that at some level of agglomeration, which some suggest is around 5 or 6 million population, growth slows, probably as a result of urban congestion, poverty, crime, and underperforming inner city education systems. In fact, diseconomies of scale do exist, and there is a very real social, environmental, and economic cost to density, at that point.

Prosperity -- The emerging potential for re-shoring, rural advanced manufacturing, and distributed, regional food and energy systems all offer huge regional rural innovation potential. The rural contribution to our nation’s exports and balance of trade since the Great Recession significantly enhanced America’s exit from that crisis. This is seldom acknowledged by those making the Global Cities argument.

Security -- In light of the recent Boston Marathon tragedy, with bird flu again an issue in China, and a New York Times article today discussing the inevitability of another major global pandemic, a more dispersed national settlement pattern, and distributed food, water, and energy systems, suddenly seem a wiser public policy goal. A recent Wall Street Journal front page story discussed the increasing difficulty global businesses are finding in securing agreement from top-level executives to live in Beijing, due to the environmental and food safety hazards there. This is no longer a curiosity; it is a deeply challenging human resource issue for global firms.

Resilience and Risk Management -- Nearly 40% of our nation’s population now live in shoreline counties. With global climate alterations increasing national disasters at an alarming scale, a ‘rural working landscape’ should become a specific domestic policy goal. Our nation’s nearly 700 micropolitan regions are the rural growth hubs for America’s regional future, since the eventual survival of our species may well reside not at the core of our civilization, but at its periphery. In the U.S., this is the 97% of our territory that rural America comprises. In it resides all of the natural resources essential to the survival of our coastal cities and their populations. After the Ag Committees rediscover and recommit to

broader rural innovation, urban policymakers must do the same. One would hope this comes through enlightened policymaking, and not continual response to national crises. In either case, rural America will once again be the buffer of a national renaissance, as it was when Frederick Jackson Turner issued his thesis.

Equity -- A central goal of public spending is to direct investments which unlock economic potential in ways the private sector cannot or will not. Nations which address hard and soft infrastructure needs of all regions improve the economic potential of the nation as a whole. Our poor rural people and places will remain poor if not linked through value chains to greater economic potential, otherwise our nation's widening income and wealth disparities will not be reversed.

Rural America offers our nation five unique assets, not found in the urban geography-clean water; clean air; safe, abundant, and affordable food; abundant and affordable energy; and natural amenities and rural arts, history, and culture. Each of these are forms of rural wealth, with which we are abundantly blessed. These are tremendous national advantages and rural America must become recognized for these contributions to U.S. global competitiveness.

Surely there is a Grand Rural Narrative in here somewhere!