

# Pondering RA's Future: Organizational Prescience in a Disruptive Milieu

Presented to the

Rural Action's 22<sup>nd</sup> Annual Meeting  
Lake Hope Lodge  
MacArthur, Ohio  
June 8, 2013

Charles W. Fluharty  
President & CEO  
Rural Policy Research Institute

“All great truths  
begin as blasphemies.”

--George Bernard Shaw

# Three “Visions,” Upon Which to Frame Our Hope

"A clear-eyed, compellingly written account bursting with vivid anecdotes and analysis."  
—Ken Auletta, author of *Greed and Glory on Wall Street*, *World War 3.0*, and *Googled*

NICCO MELE

# THE END OF BIG

HOW THE INTERNET  
MAKES DAVID THE NEW GOLIATH

## Ratings of Institutions

**Question:** How much confidence do you have in each one — a great deal, quite a bit, some, very little, none at all?

*Percentage of people answering “a great deal” or “quite a bit”.*

Institution	2012	2013
Military	76	67
Auto Industry	28	29
Religious Leaders and Organizations	25	21
Federal Government	16	17
National News Media	15	16
Social Networks	18	13
Large Corporations	17	12
Financial Industry	12	11
Health Insurance Companies	13	10
IRS	Not polled	10

IRS, Military, News Media, Polls, WSJ/NBC News Poll

# FATE OF THE STATES

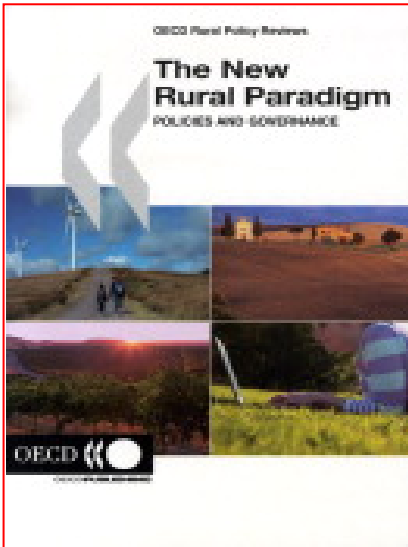


THE NEW GEOGRAPHY OF  
AMERICAN PROSPERITY

MEREDITH WHITNEY



# The OECD New Rural Paradigm (2006)



Guarantee an adequate **attention to rural issues**  
And **empower** local communities and governments

	Old Paradigm	New Paradigm
<b>Objectives</b>	Equalization. Focus on farm income	<b>Competitiveness</b> of rural areas
<b>Key target sector</b>	Sector based	<b>Holistic</b> approach to include various sectors of rural economies
<b>Main tools</b>	Subsidies	<b>Investments</b>
<b>Key actors</b>	National governments, farmers	<b>Multilevel-governance</b>



**Rural is not synonymous with agriculture**  
**Rural is not synonymous with economic decline**

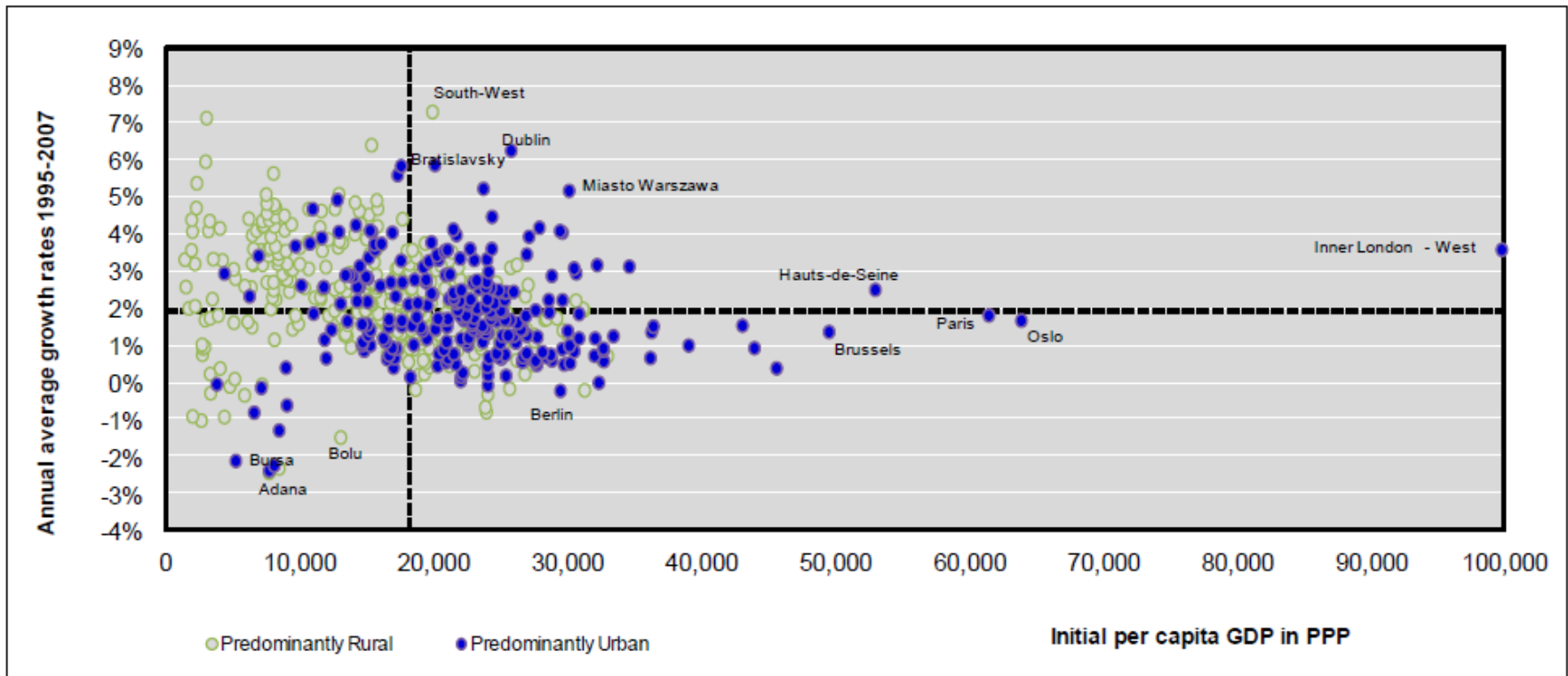


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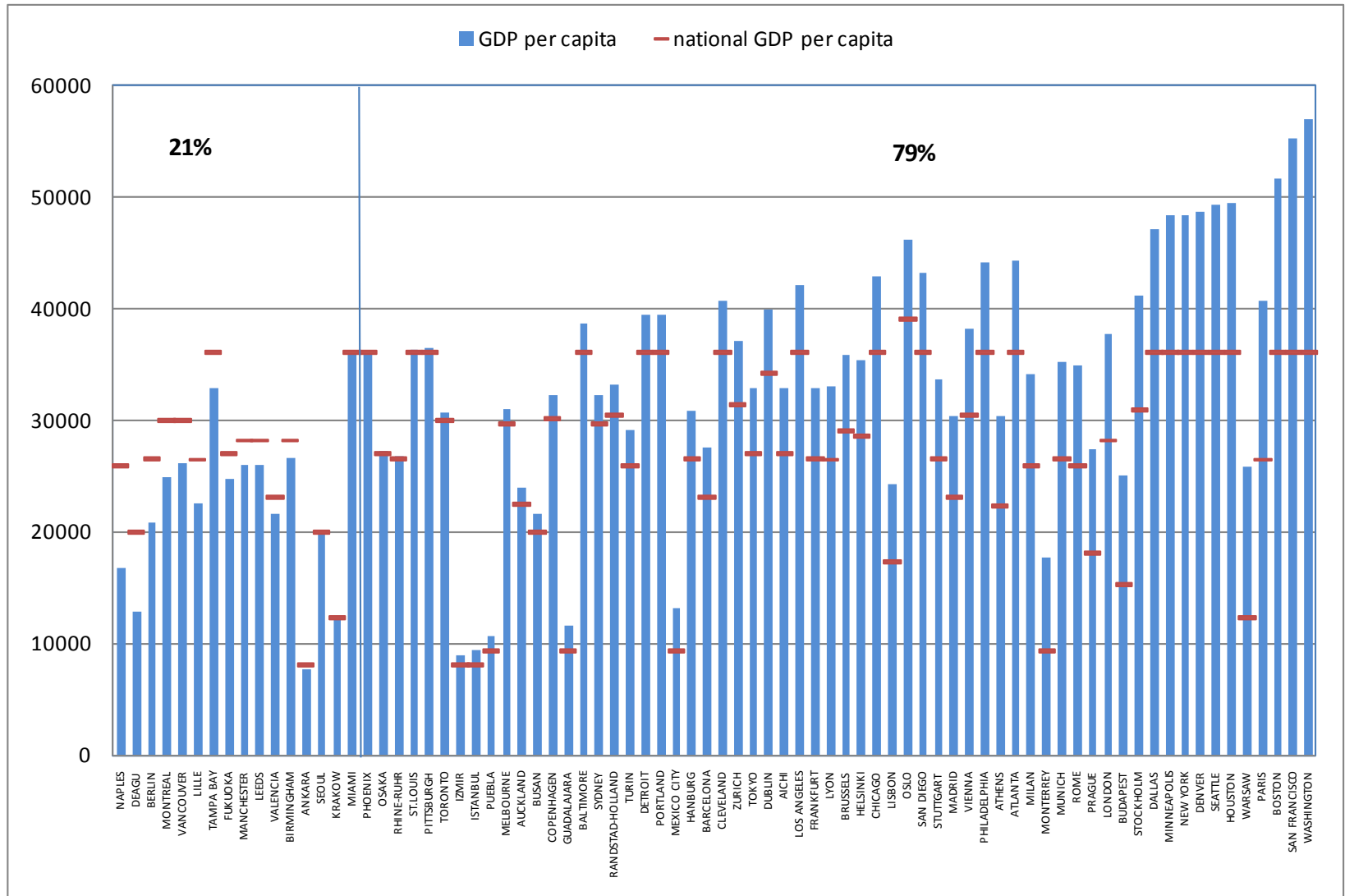
# There is no single/unique path to growth...

No marked convergence or divergence profiles by type of region  
Predominantly urban and rural regions, 1995-2007





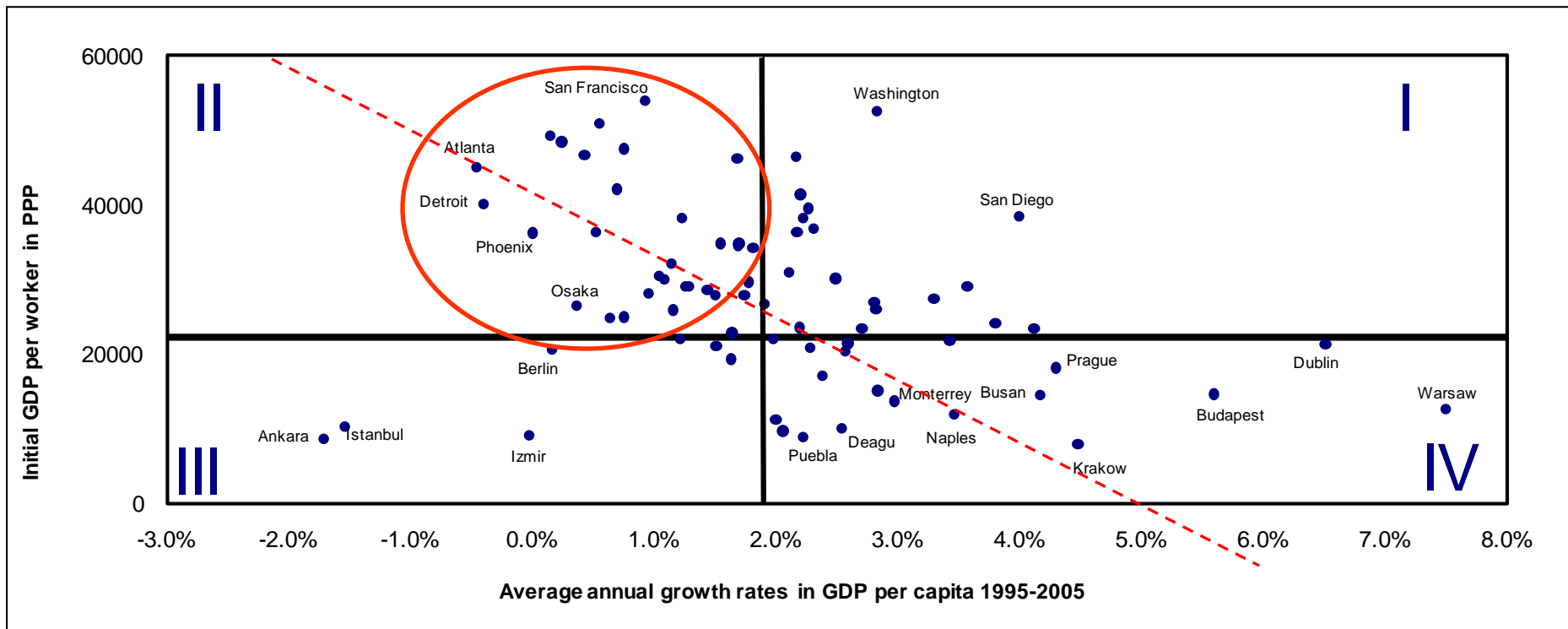
# Concentration → high levels of GDP pc



# ...but not necessarily faster growth

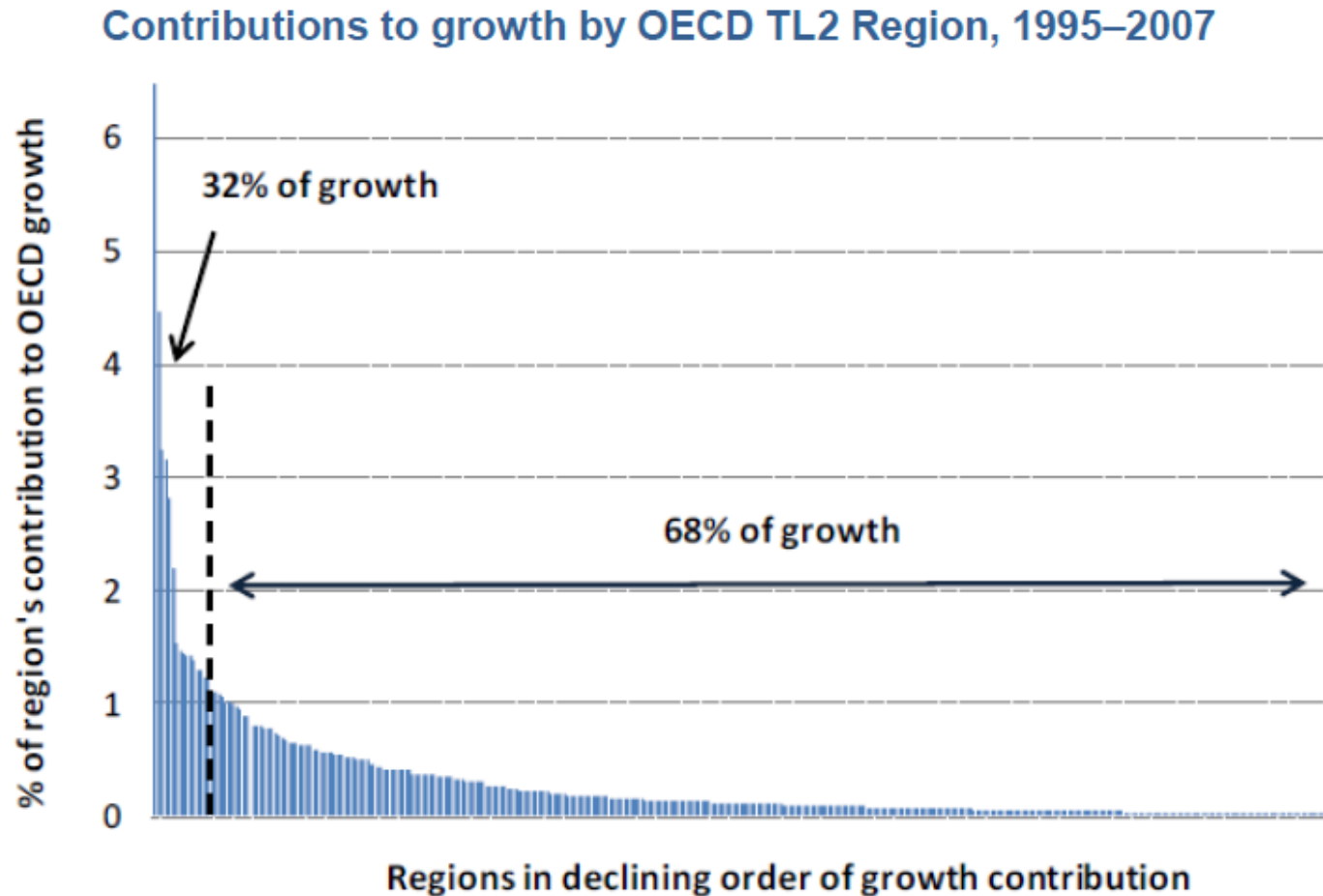
Only 45% of metro--regions grow faster than the national average.

Metro-regions appear to have entered in a process of convergence.



...signs of inefficiencies appear in significant number of metro-regions...

# Contributions to aggregate growth depend on few hub regions...

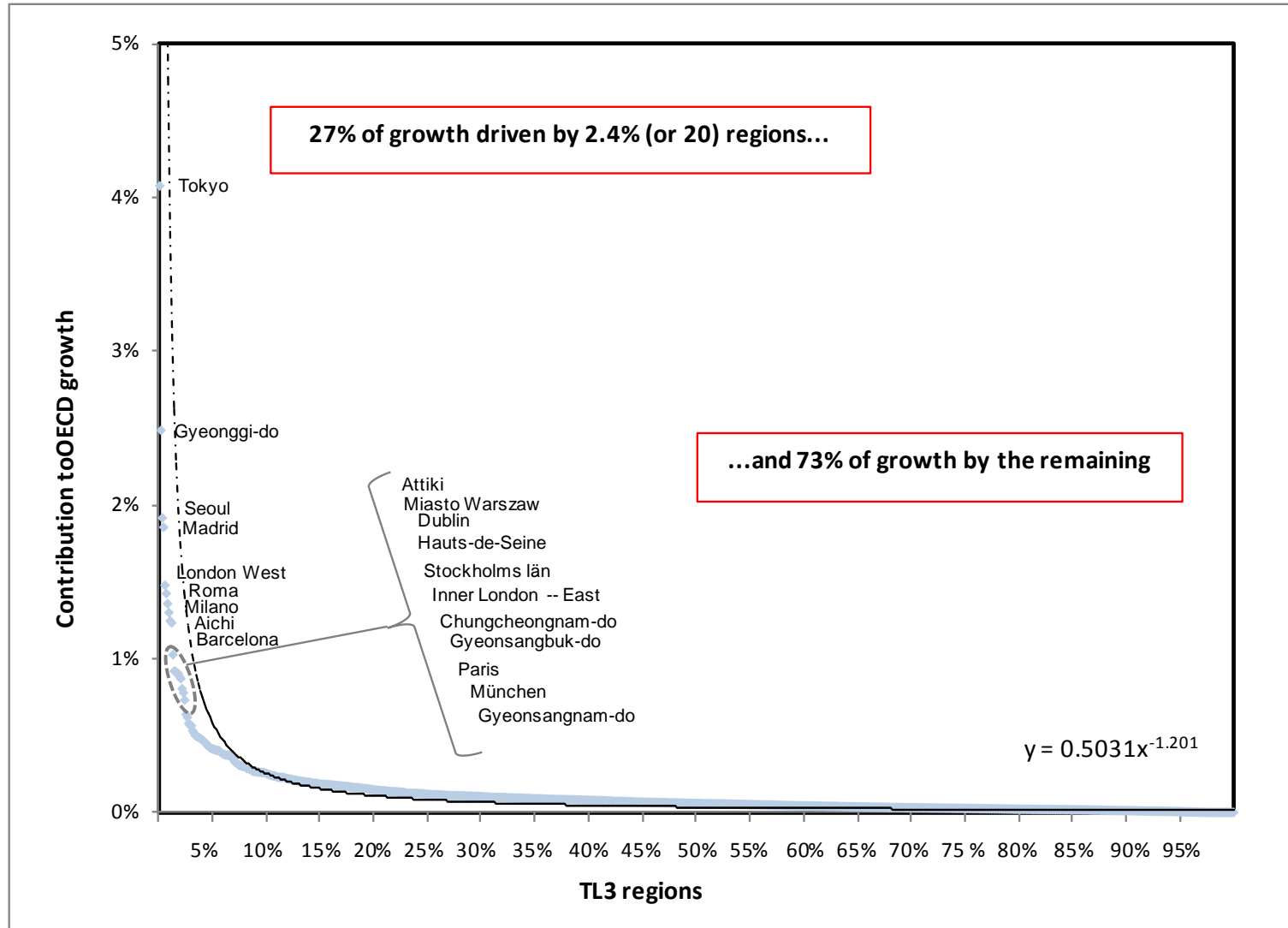


Source: OECD Regional Database (Territorial Level 2 regions).

...the fat tail is equally important -- if not more -- to aggregate growth...



# Contributions to growth OECD TL3 regions





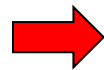
# Lagging regions contribute to national growth

## Lagging Regions Contribution to Aggregate Growth

	lagging	leading
Australia	29%	71%
Austria	53%	47%
Canada	26%	74%
Czech Republic	62%	38%
Finland	35%	65%
France	68%	32%
Germany	27%	73%
Greece	-16%	116%
Hungary	34%	66%
Italy	26%	74%
Japan	27%	73%
Korea	23%	77%
Mexico	44%	56%
Netherlands	49%	51%
Norway	61%	39%
Poland	44%	56%
Portugal	54%	46%
Slovak Republic	67%	33%
Spain	48%	52%
Sweden	58%	42%
Turkey	47%	53%
United Kingdom	57%	43%
United States	51%	49%
average unweighted	43%	57%
average weighted	44%	56%

*Overall, they contributed to **44%** of aggregate OECD growth in 1995-2007.*

*In eight OECD countries lagging regions contributed more to national growth than leading regions.*



*Bottom line: support for lagging regions need not be merely a “social” policy. They contribute a large share of national growth.*

# Structural Challenges, Which Could Portend Tectonic Shifts in Culture and Behavior

"All the News  
That's Fit to Print"

# The New York Times

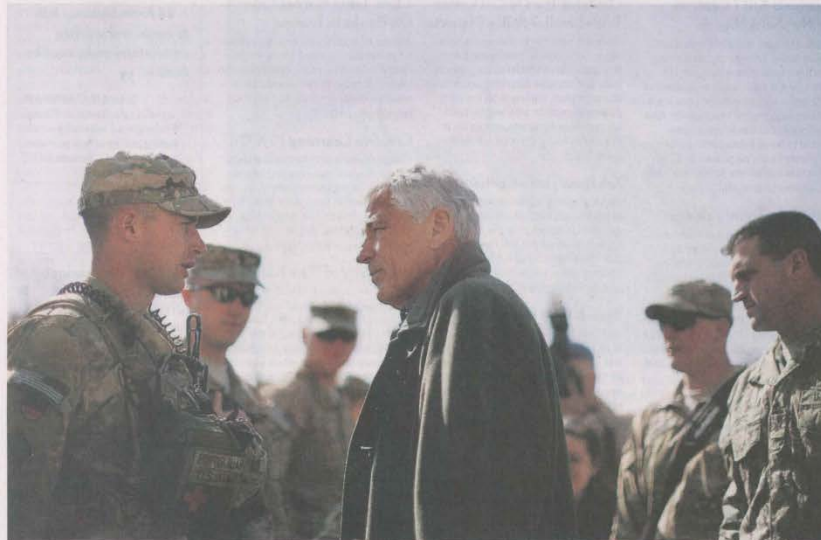
VOL. CLXII . . . No. 56,072

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MONDAY, MARCH 11, 2013

**National Edition**  
Mostly cloudy north. Part  
mostly sunny south. Highs in  
upper 20s to middle 40s. Cl  
partly cloudy tonight. Lows n  
in the 20s. Weather map, Pag

Printed in Columbia, Mo. \$



POOL PHOTO BY JASON REED

Defense Secretary Chuck Hagel spoke with American troops on Sunday at a military training center in Kabul, Afghanistan.

## Afghan Leader Says U.S. Abets Taliban's Goal

**Criticism Adds Tension  
to Hagel's First Visit**

By ALISSA J. RUBIN  
and THOM SHANKER

KABUL, Afghanistan — President Hamid Karzai leveled particularly harsh accusations against the United States on Sunday, suggesting that the Americans and the Taliban had a common goal in destabilizing his country. The comments cast a shadow on the first visit by Chuck Hagel as defense secretary.

The Afghan president's discontent with his American allies has been a recurring theme over the past 10 years. Still, his condemnation now, at a critical moment for talks under way on the shape and scope of any American military presence here past 2014, has raised new questions about the two countries' abilities to bridge their intensifying differences.

In recent days, Mr. Karzai has been the most critical about some of the policies that American officials have described as most important to their mission here, including the widespread use of Special Operations forces and a continuing say in how battlefield detainees are vetted and released. He has seized on both as violations of Afghan sovereignty, banning American commandos from Wardak Province and bristling at key terms in a negotiated agreement on Bagram Prison.

A result was a last-minute refusal by American officials on Saturday to hand the Afghan government full control of the prison.

After the cancellation of a joint news conference on Sunday — American officials said security concerns were the cause, even as Afghan officials dismissed that claim — Mr. Hagel and Mr. Karzai met for private discussions

Continued on Page A8

## CUTS GIVE OBAMA PATH TO CREATING LEANER MILITARY

**SOME PENTAGON BACKS**

**Bases, Health Program  
and Nuclear Arm  
Face Scrutiny**

By DAVID E. SANGER  
and THOM SHANKER

WASHINGTON — At a time when \$46 billion in mandatory budget cuts are causing anxiety at the Pentagon, administration officials see one potential benefit: there may be an opening to push for deep reductions in programs long in President Obama's sights and long resisted by Congress.

On the list are not only closings but also an additional reduction in deployed nuclear weapons and stockpiles and restructuring of the military's health insurance program that more than America spends of its diplomacy and foreign aid around the world. Also being considered is yet another set of cuts in next-generation fighter planes, starting with the F-35, one of the most expensive weapons programs in United States history.

None of those programs is going away. But inside the Pentagon, even some senior officials are saying that the reductions, if done smartly, could easily exceed those mandated by sequestration, as the cuts are called. The administration believes money will be required.

These include building out developing offensive and defensive cyberweapons and focusing on Special Operations forces.

Publicly, at least, Mr. Obama has not backed any of those ideas, even though he has deplored a "dumb" approach of simply cutting every program in the military equally.

Mr. Obama will visit Camp David on Tuesday in another attempt to persuade lawmakers to reach a long-term deficit-reduction deal and replace the current cuts with more targeted ones. [Page A14.]

Still, Pentagon officials are pushing for more cuts. Continued on Page A14

## Small States Find Outsize Clout Growing in Senate

By ADAM LIPTAK

RUTLAND, Vt. — In the four years after the financial crisis struck, a great wave of federal stimulus money washed over Rutland County. It helped pay for bridges, roads, preschool programs, a community health center, buses and fire trucks, water mains and tanks, even a project to make sure fish could still swim down the river while a bridge was being rebuilt.

Just down Route 4, at the New York border, the landscape abruptly turns from spiffy to scruffy. Washington County, N.Y., which is home to about 60,000 people — just as Rutland is — saw only a quarter as much money.

**DEMOCRACY TESTED**  
*Unequal Representation*

"We didn't receive a lot," said Peter Aust, the president of the local chamber of commerce on the New York side. "We never saw any of the positive impact of the stimulus funds."

Vermont's 625,000 residents have two United States senators, and so do New York's 19 million. That means that a Vermonter has 30 times the voting power in the Senate of a New Yorker just over the state line — the biggest inequality between two adjacent states. The nation's largest gap, between Wyoming and California, is more than double that.

The difference in the fortunes of Rutland and Washington Counties reflects the growing disparity in their citizens' voting power, and it is not an anomaly. The Constitution has always given residents of states with small populations a lift, but the size and importance of the gap has grown markedly in recent decades, in ways the framers probably never anticipated. It affects the political dynamic of issues as varied as gun control, immigration and campaign finance.

In response, lawmakers, lawyers and watchdog groups have begun pushing for change. A lawsuit to curb the small-state advantage in the Senate's rules is moving through the courts. The Senate has already made modest changes to rules con-

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## As North Korea Blusters, South Breaks Taboo With Nuclear Talk

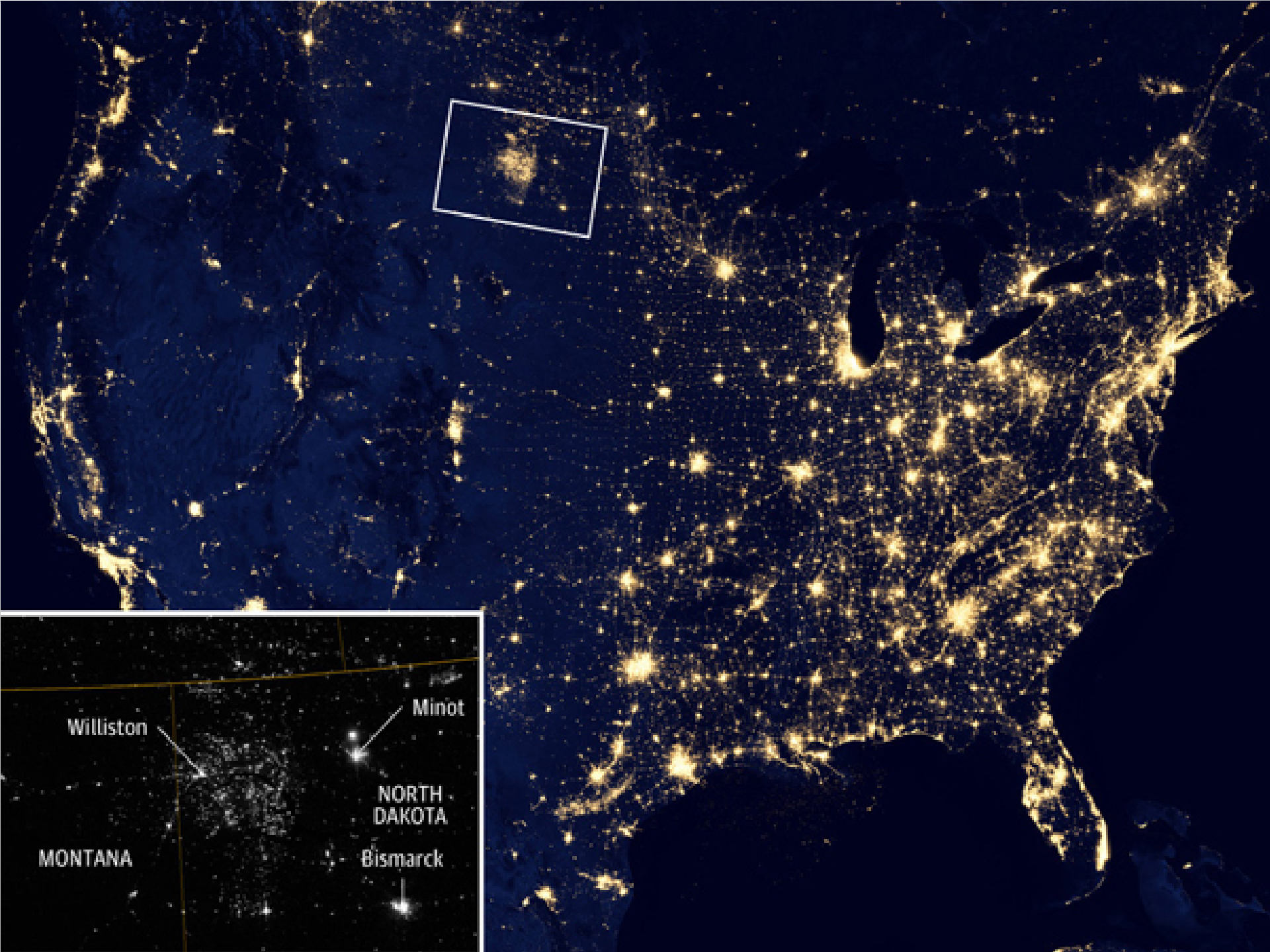
By MARTIN FACKLER and CHOE SANG-HUN

SEOUL, South Korea — As opinion polls show that two-thirds of South Koreans support the idea of a nuclear deal, the idea posed by a small but growing number of South Koreans largely shrugged off the



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Given This, Rural Imperatives,  
Consistent with the RA Vision

# The Framework for Regional Rural Innovation



## Critical Internal Considerations

- ❑ Wealth Creation and Intergenerational Wealth Retention
- ❑ Youth Engagement and Retention
- ❑ Social Inclusion and Social Equity

# Final Reflections: Why Your Work is So Critical!

“What lies behind us,  
and what lies before us  
are tiny matters  
compared to  
what lies within us.”

--Ralph Waldo Emerson



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