

Rethinking the Rural Raison D'être: A Primer for New Rural Policy and Practice

Presented to the
Regards to Rural 2013
Rural Development Initiatives
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Four Considerations

- I. Recalibrating the rural/urban dialogue and paradigm
- II. Who wins: the World Bank or the OECD?
- III. Rural imperatives, and signs of hope and progress!
- IV. Final reflections: Why your work is so critical

I. Recalibrating the rural/urban dialogue and paradigm

Two major types of rural definitions

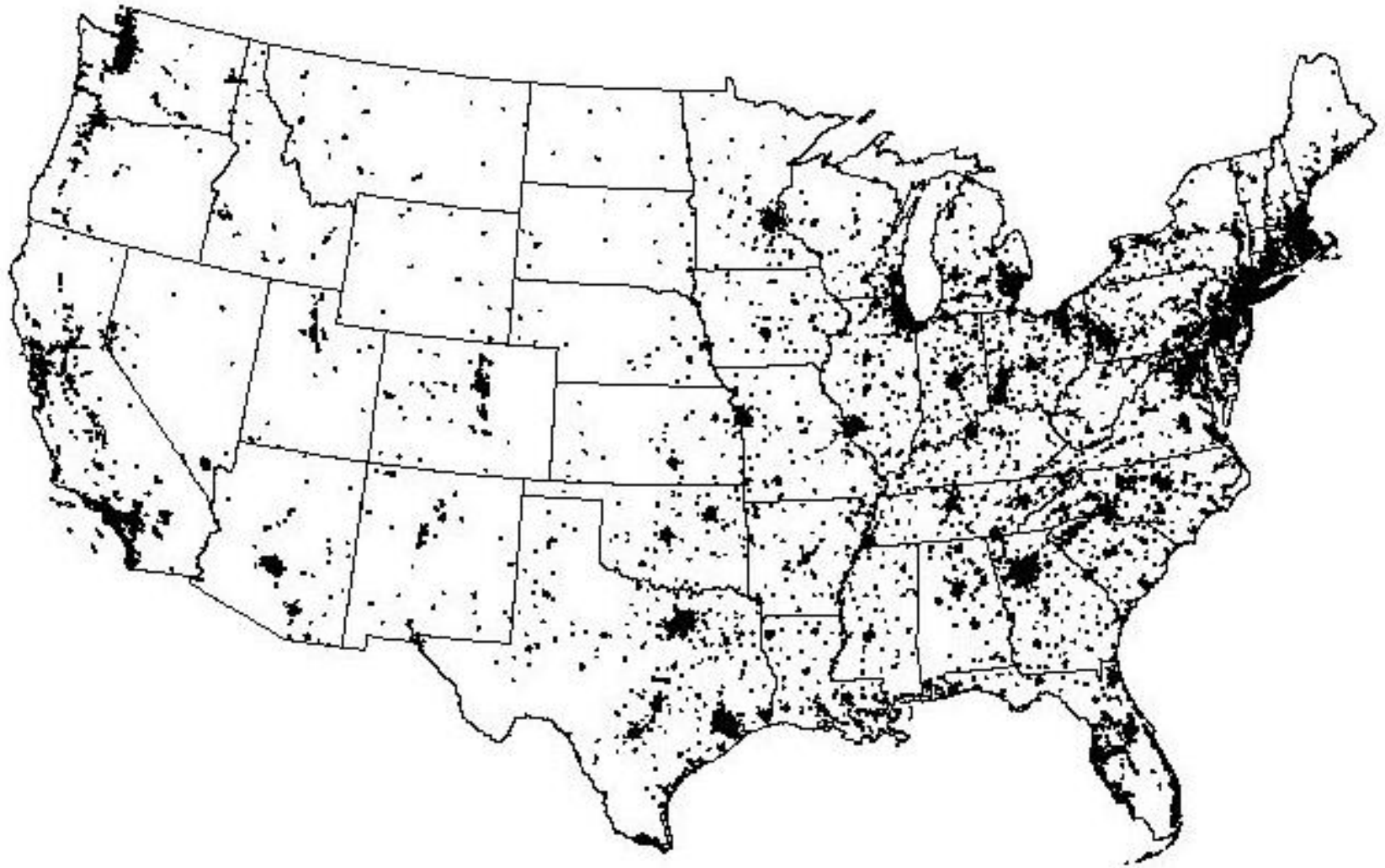
- ▣ U.S. Census Bureau
 - Urban and Rural Areas
- ▣ Office of Management and Budget
 - Core Based Statistical Areas – Metropolitan and Nonmetropolitan Areas

Urban and Rural Areas

- ▣ The U.S. Census Bureau defines urban areas:
 - Core blocks and block groups with population density of 1,000 people per square mile.
 - Surrounding blocks with overall density of 500 ppmi²
 - Range in size from 2,500 people to nearly 2 million people.
 - **Rural** is everything that is not urban.

- ▣ Based on the 2010 Decennial Census:
 - 59 million people live in rural areas (19%)
 - 249 million people live in urban areas (81%)

Census Defined Urban Areas



But all urban areas are not the same



New York-Newark
Population 1.8 million



Hermann, MO
Population 2,515

Pitfalls to using this definition

- ▣ These boundaries are only defined every 10 years.
- ▣ Urban area boundaries don't align with boundaries of cities and towns.
 - There is no governmental jurisdiction over Census defined urban areas.
- ▣ Very limited sub-county data challenges more granular understanding, and resource targeting.
 - The most comprehensive data is at the county level.
- ▣ All would agree that some “urban” places are really much more rural in character.

Core Based Statistical Areas

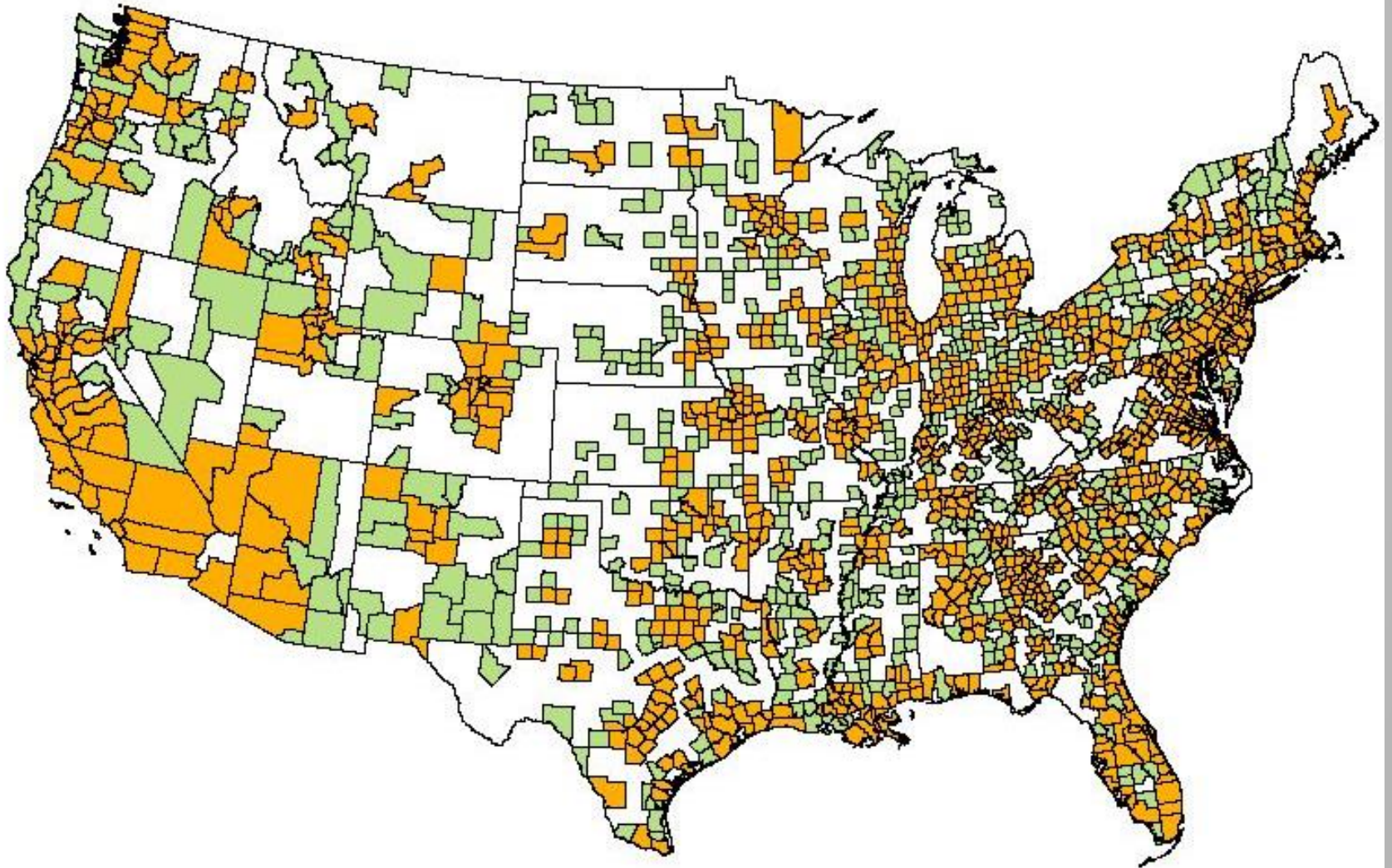
- ▣ Defined by the Office of Management and Budget.
- ▣ Designed to be **functional regions** around urban centers.
- ▣ Classification is based on counties.
- ▣ Three classifications of counties:
 - **Metropolitan, Micropolitan, Noncore**
 - Based on size of urbanized area/urban cluster in central counties and commuting ties in outlying counties.

Core Based Statistical Areas

Metropolitan

Micropolitan

Noncore



Usually, metropolitan is equated with urban and nonmetropolitan is equated with rural.

So, if metropolitan is urban, then...

This is urban:



Los Angeles, California
Population 1.2 million

And so is this:

Armstrong County, Texas
Population 2,071

Part of the Amarillo Texas
Metropolitan Area



**And if nonmetropolitan is rural,
then...**

This is rural:



Loving County, Texas
Population 55

And so is this:



Paducah, Kentucky
Population 48,035

Most Counties are Both Urban and Rural!



Coconino County, Arizona

Population 127,450

Flagstaff Metro Area

Most metropolitan areas contain rural territory and rural people.

In fact...

54% of all rural people live in metropolitan counties!

Distribution of U.S. Population by Urban and Rural Areas, and Core Based Statistical Areas, 2010

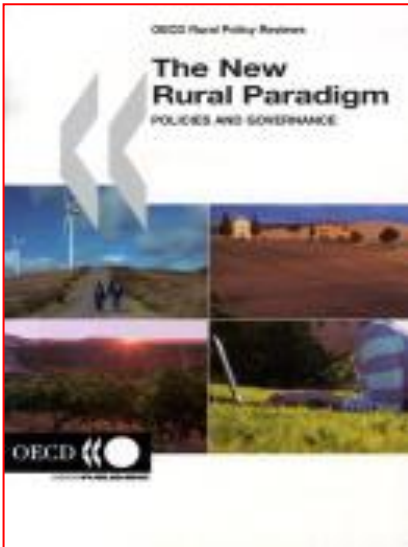
| | Urbanized Area | Urban Cluster | Rural | Total |
|--------------|-------------------|------------------|------------|-------------|
| Metropolitan | 219,677,256 | 10,766,879 | 32,007,997 | 262,452,132 |
| Micropolitan | 228,950 | 13,852,786 | 13,072,477 | 27,154,213 |
| Noncore | 15,917 | 4,711,483 | 14,411,793 | 19,139,193 |
| Total | 219,922,123 | 29,331,148 | 59,492,267 | 308,745,538 |

| | Urbanized Area | Urban Cluster | Rural | Total |
|--------------|-------------------|------------------|-------|-------|
| Metropolitan | 99.9% | 36.7% | 53.8% | 85.0% |
| Micropolitan | 0.1% | 47.2% | 22.0% | 8.8% |
| Noncore | 0.0% | 16.1% | 24.2% | 6.2% |

II. Who Wins: The World Bank or the OECD?



The OECD New Rural Paradigm (2006)



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

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



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



Promoting Growth in All Regions

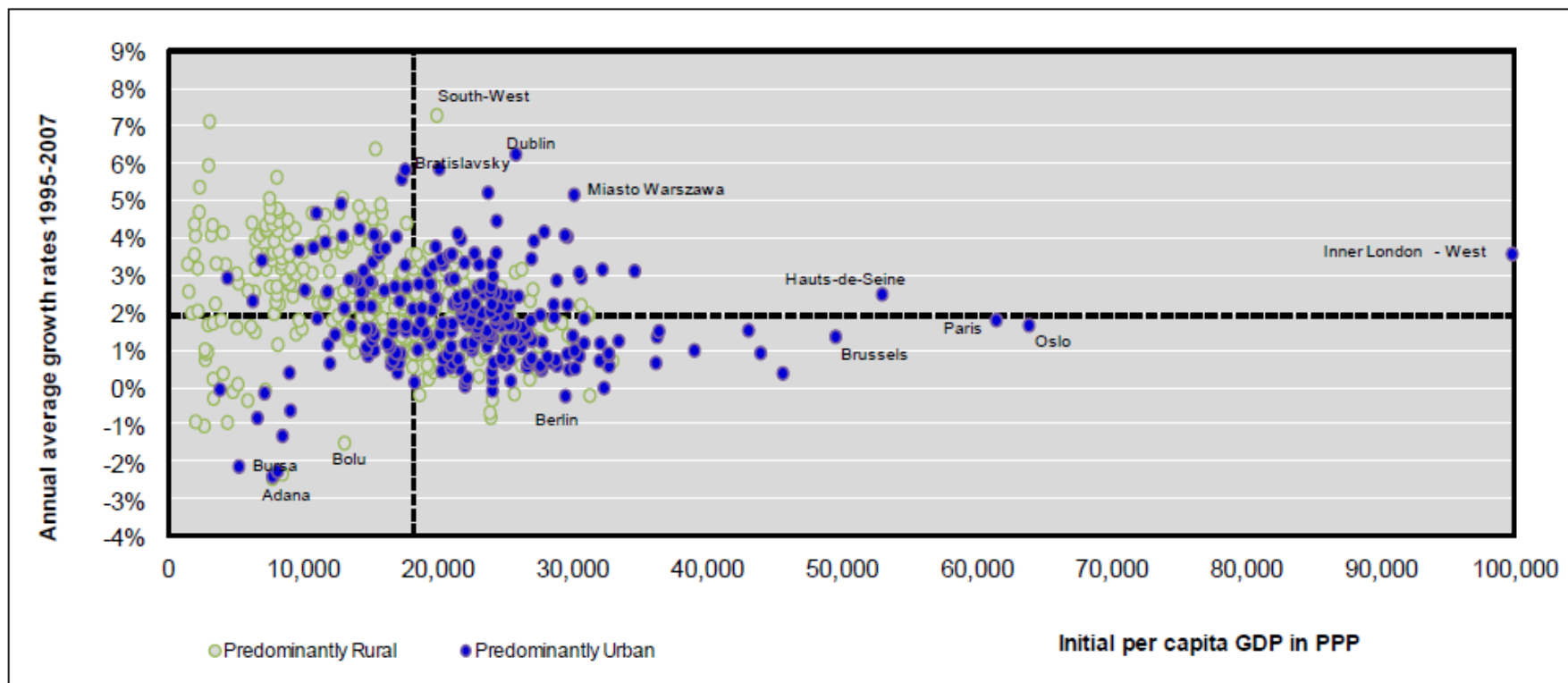




There is no single/unique path to growth...

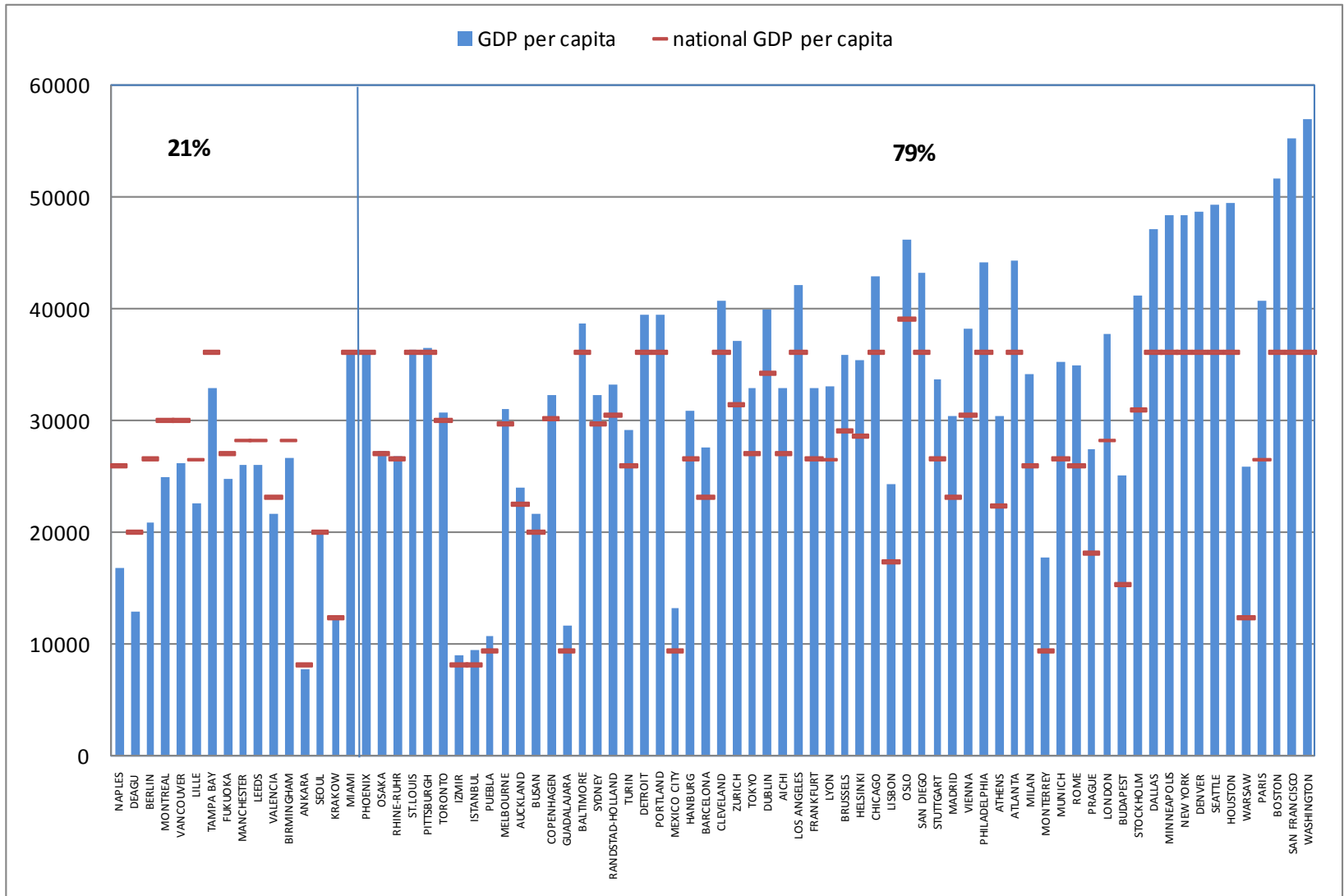
No marked convergence or divergence profiles by type of region

Predominantly urban and rural regions, 1995-2007





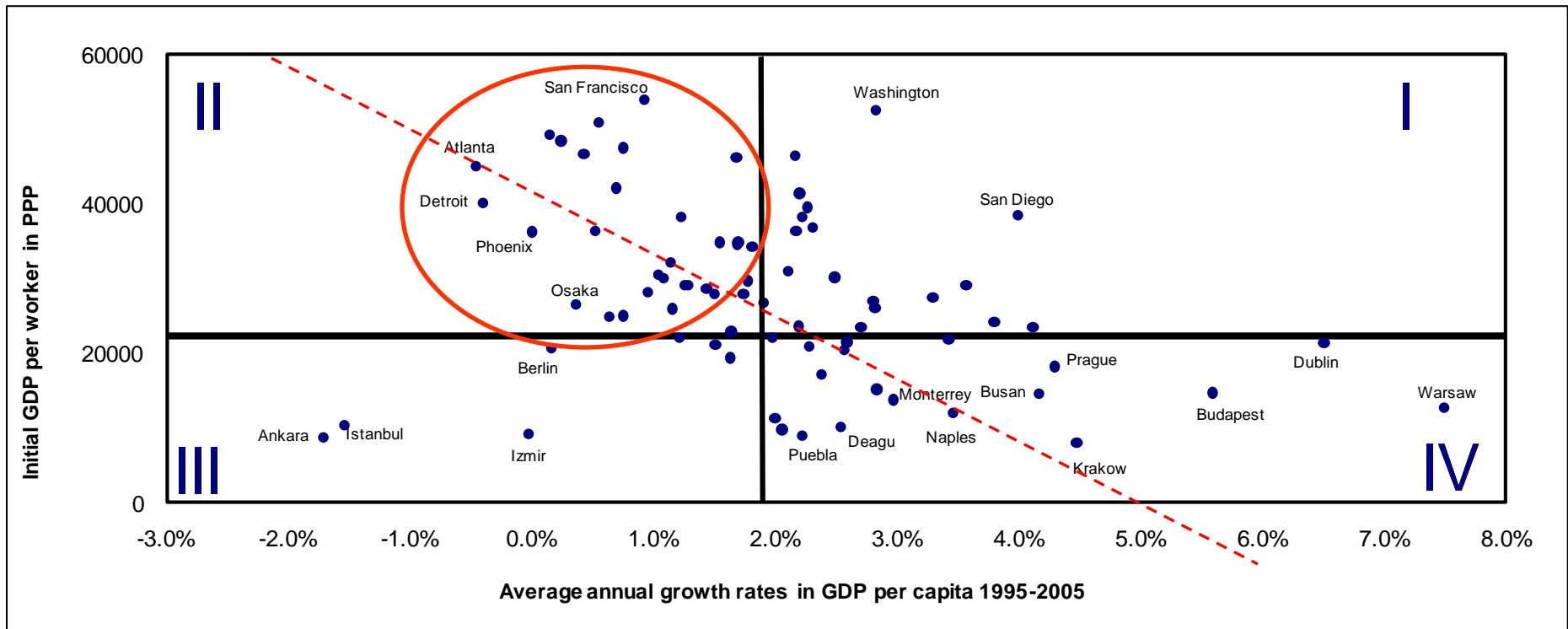
Concentration → high levels of GDP pc



...but not necessarily faster growth

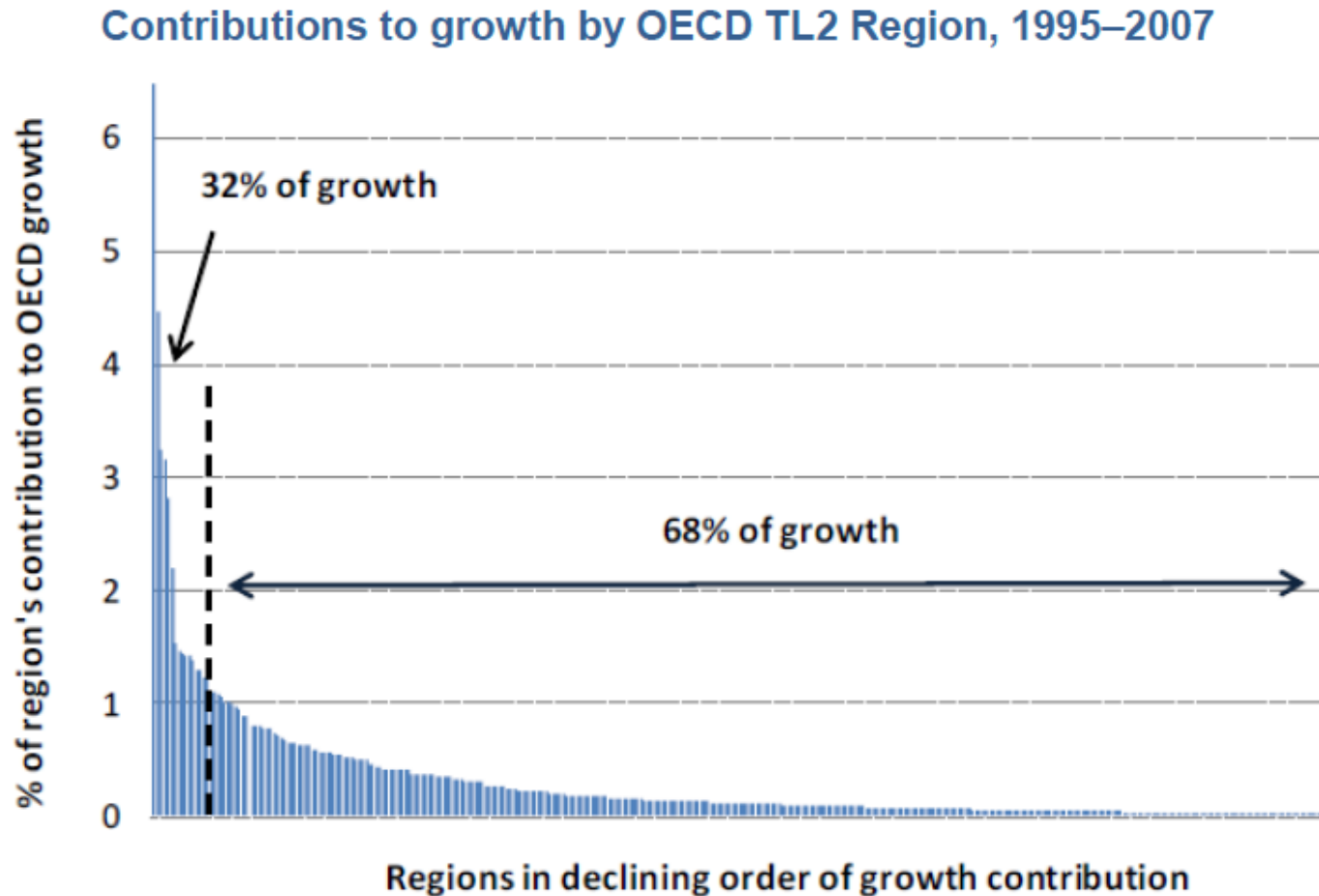
Only 45% of metro--regions grow faster than the national average.

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...

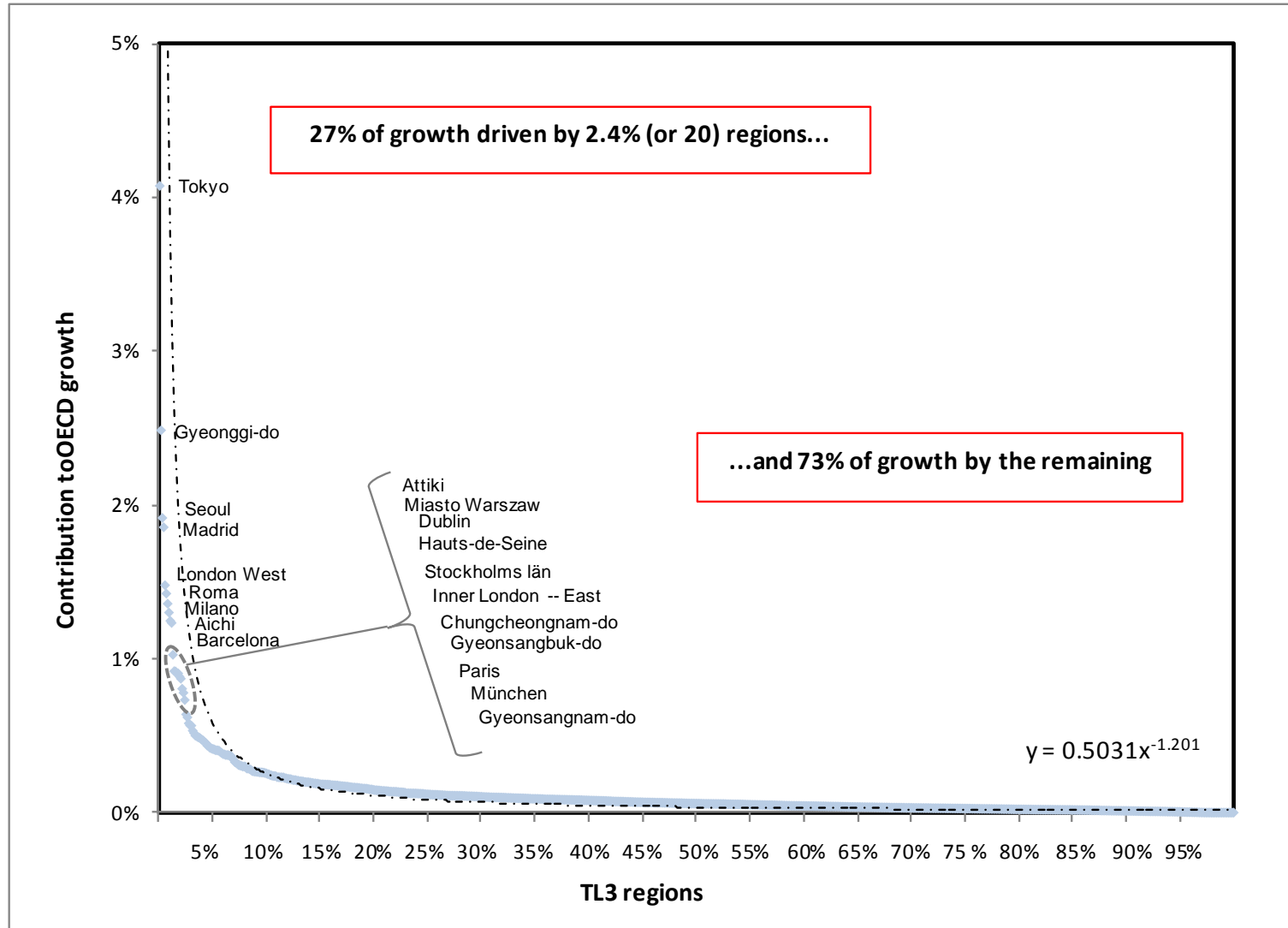


Source: OECD Regional Database (Territorial Level 2 regions).

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



Contributions to growth OECD TL3 regions





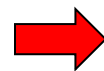
Lagging regions contribute to national growth

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.

III. Rural Imperatives, and Signs of Hope and Progress!

Policies and budgets
are ultimately about
visions and values.

“If you do the same things,

over

and

over,

you’ll probably get

the same outcomes!”

The Critical Question:

“ What policy framework will best integrate rural and urban initiatives and programs, to advantage both ag and non-ag rural constituencies, their communities and regions, and enhance their children’s potential to thrive there in the 21st century?”

What is Demanded?

1. Greater attention to asset-based development, much more broadly defined. Placemaking, married to economic development, must be the new paradigm.
2. The building of regional frameworks, appropriately configured, of sufficient scale to leverage these geographies and bridge these constituencies. (While we need rural and urban responses, their intersection is the future of enlightened public policy.)
3. As the Federal role reduces over time, greater attention to new governance / new intermediary support by the public sector.
4. Regional innovation policies which specifically target mutually beneficial competitive advantage, that rural and urban areas share. (i.e., Regional food systems, bio-energy compacts, natural resource-based / sustainability assets, “workshed” / “watershed” approaches, etc.)

5. Attention to the importance of working landscapes:
 - Arts / heritage / culture
 - Natural resources / tourism
 - Bio-energy / biofuels, entrepreneurial agriculture
6. Incentives to bridge innovation / entrepreneurship support systems, from urban to rural expression
7. Opportunities to address spatial mismatch issues in workforce / training across broader geographies, via “place-based” community / technical college collaborations, both sister schools and research universities.
8. Innovative funding approaches which enhance collaboration across state and local governments, particularly in cross-sectoral, regional experimentation.

The Framework for Regional Rural Innovation



Critical Internal Considerations

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

**V. Final
Reflections:
Why your work is so
critical**

"All the News
That's Fit to Print"

The New York Times

VOL. CLXII . . . No. 56,072

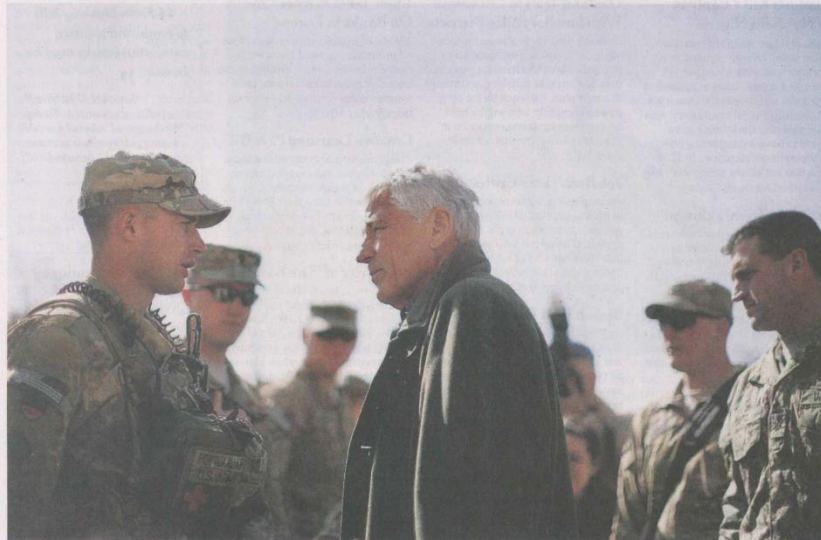
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MONDAY, MARCH 11, 2013

National Edition

Mostly cloudy north. Partly sunny south. Highs in the upper 20s to middle 40s. Clear, partly cloudy tonight. Lows in the 20s. Weather map, Page 2.

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 I. 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 program 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 insurance program that more than America spends of its diplomacy and foreign around the world. Also being considered is yet another set of cuts in next-generation fighter planes, starting with the F-35, the most expensive weapons program 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 offset those mandated by sequestration, as the cuts are called. They leave room for the areas where 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 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 draconian cuts with more targeted ones. [Page A14.]

Still, Pentagon officials

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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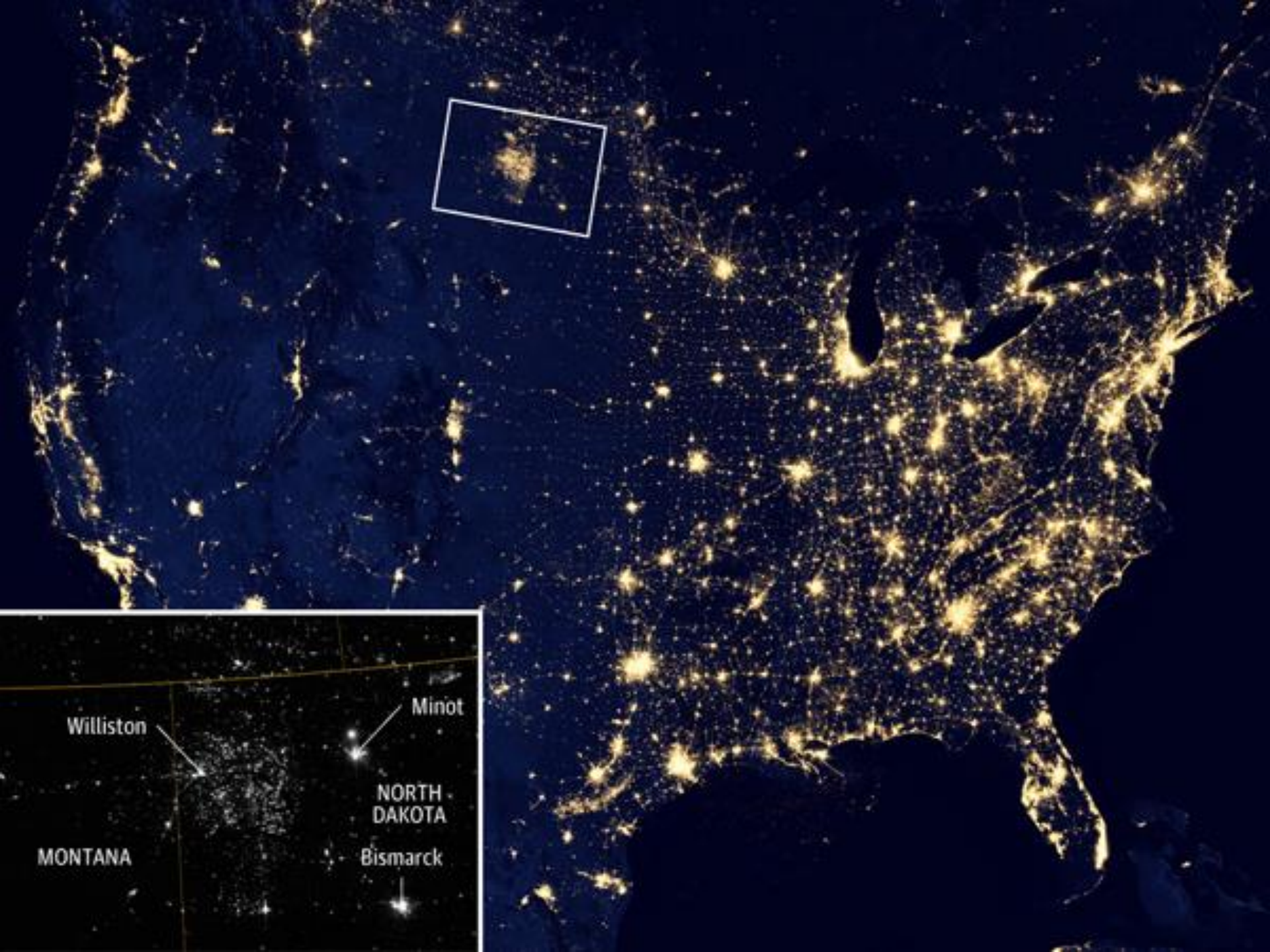
As North Korea Blusters, South Breaks Taboo With Nuclear Talk

By MARTIN FACKLER and CHOE SANG-HUN

SEOUL, South Korea — As their country prospered, South Koreans largely shrugged off the opinion polls show that two-thirds of South Koreans support the idea posed by a small but



Algorithms G



“All great truths
begin as blasphemies.”

--George Bernard Shaw

Two “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

“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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