

# Rethinking the Rural *Raison D'être*: Beginning the New Narrative

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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, given this clear regional dynamic
- IV. Challenging the urban metaphor, in a disruptive milieu
- V. Final reflections

# I. Recalibrating the rural/urban dialogue and paradigm

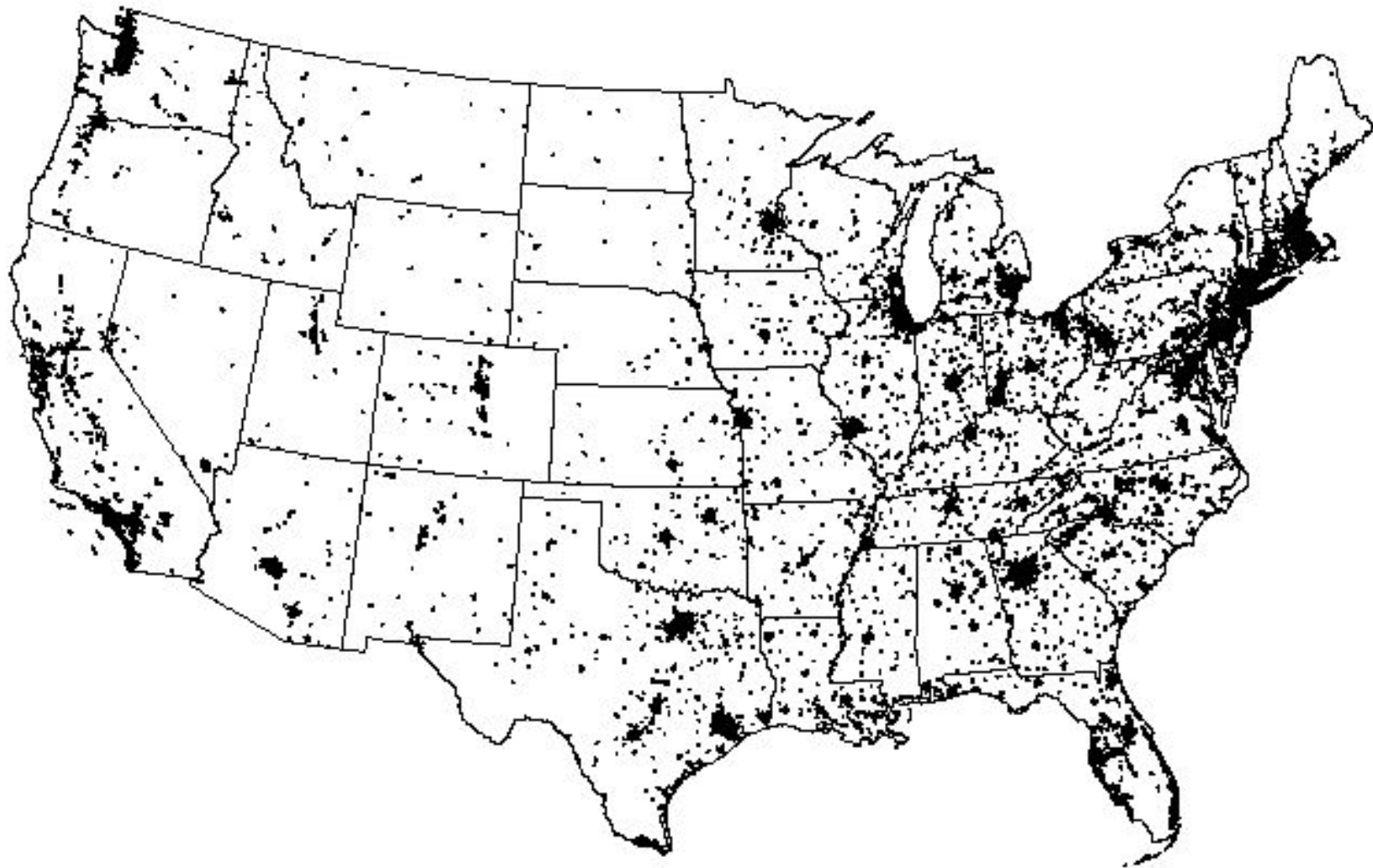
# Two major types of rural definitions

- ▣ 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 ppmi<sup>2</sup>
  - 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.

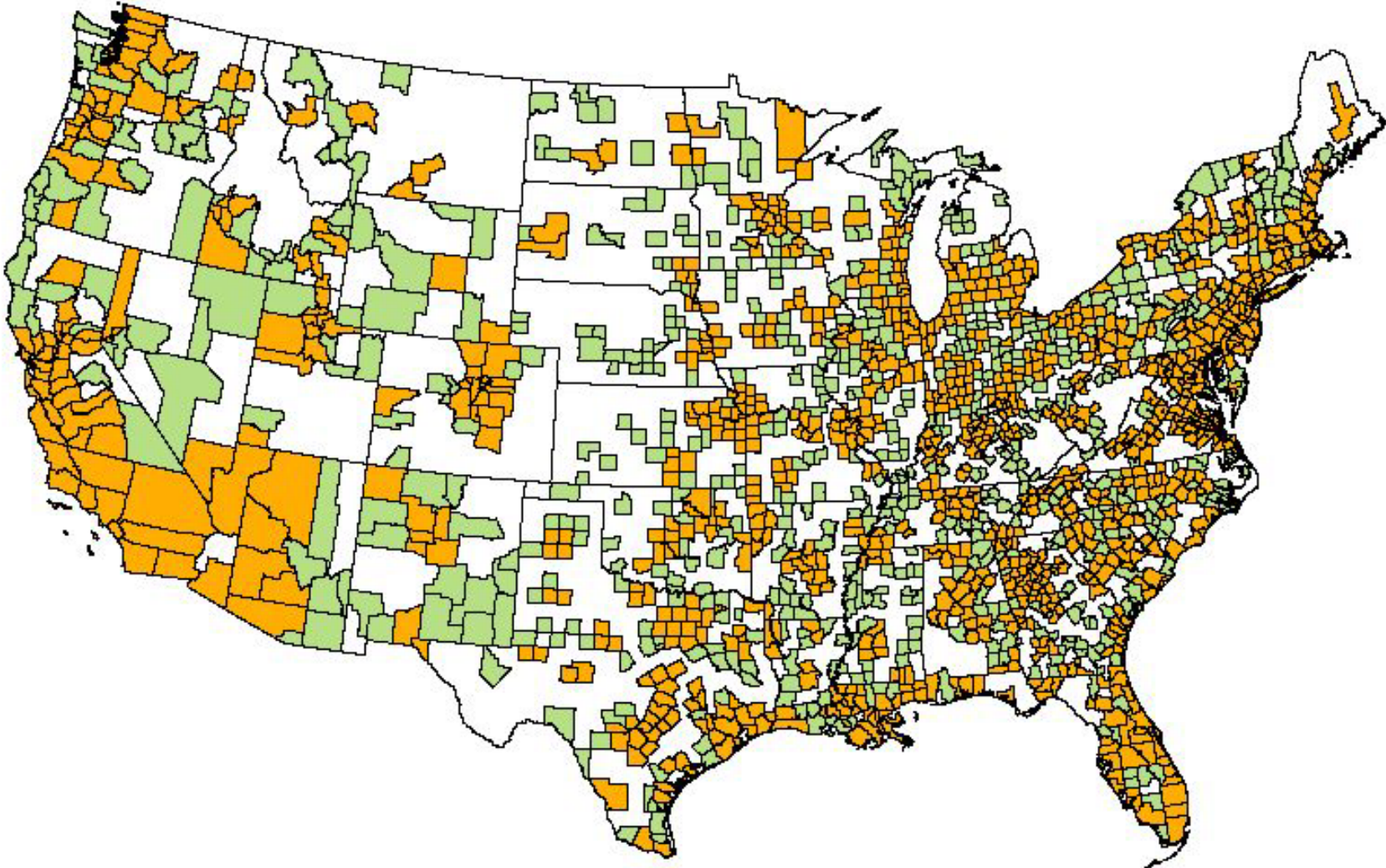


# Core Based Statistical Areas

- ▣ 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

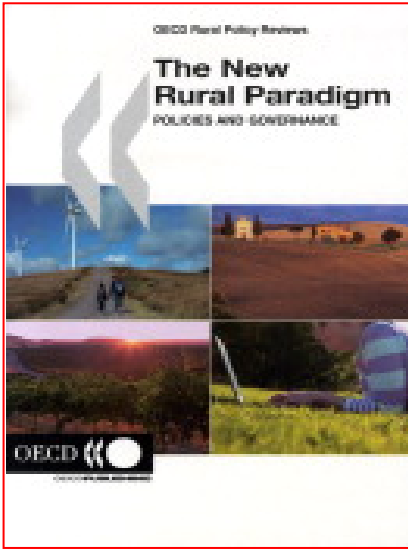
	Urbanized Area	Urban Cluster	Rural	Total
Metropolitan	219,677,256	10,766,879	32,007,997	262,452,132
Micropolitan	228,950	13,852,786	13,072,477	27,154,213
Noncore	15,917	4,711,483	14,411,793	19,139,193
Total	219,922,123	29,331,148	59,492,267	308,745,538

	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
<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**



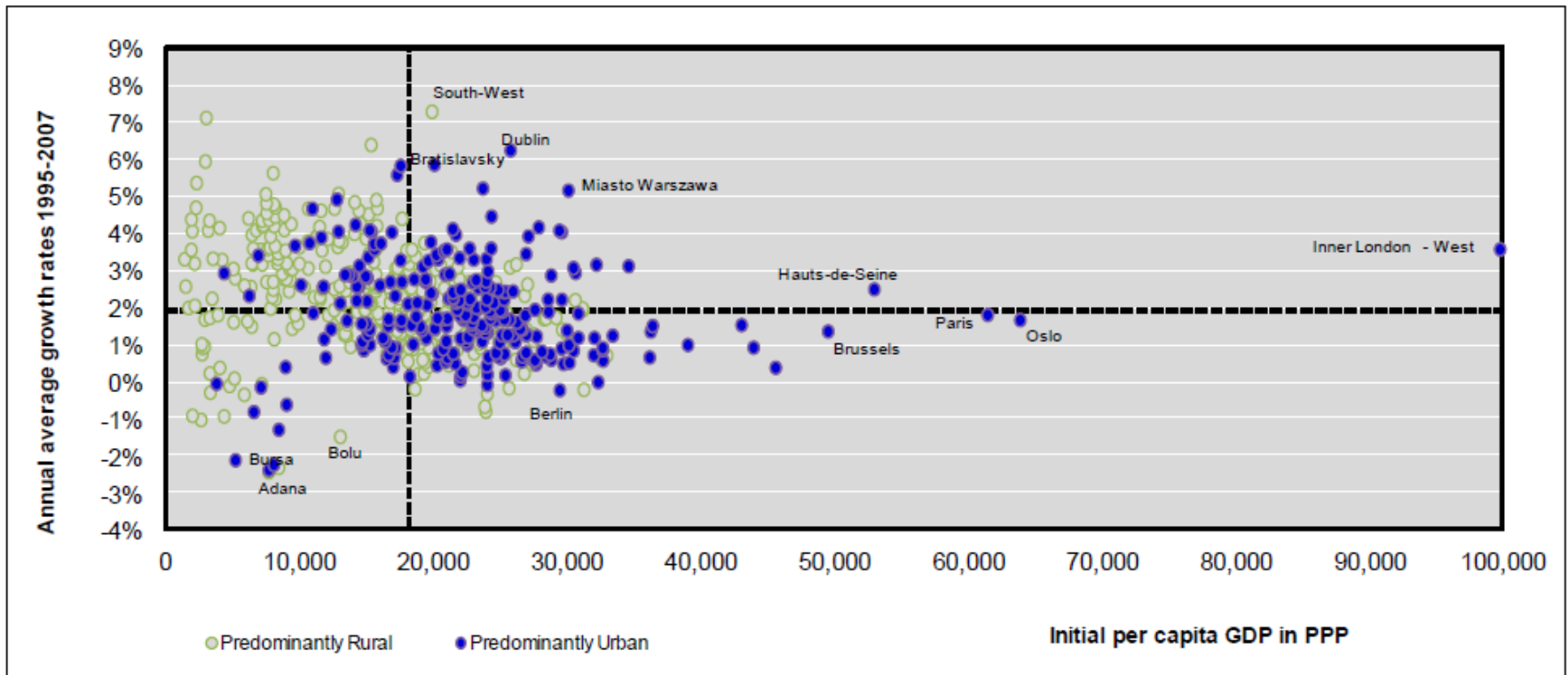
# Promoting Growth in All Regions





# 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



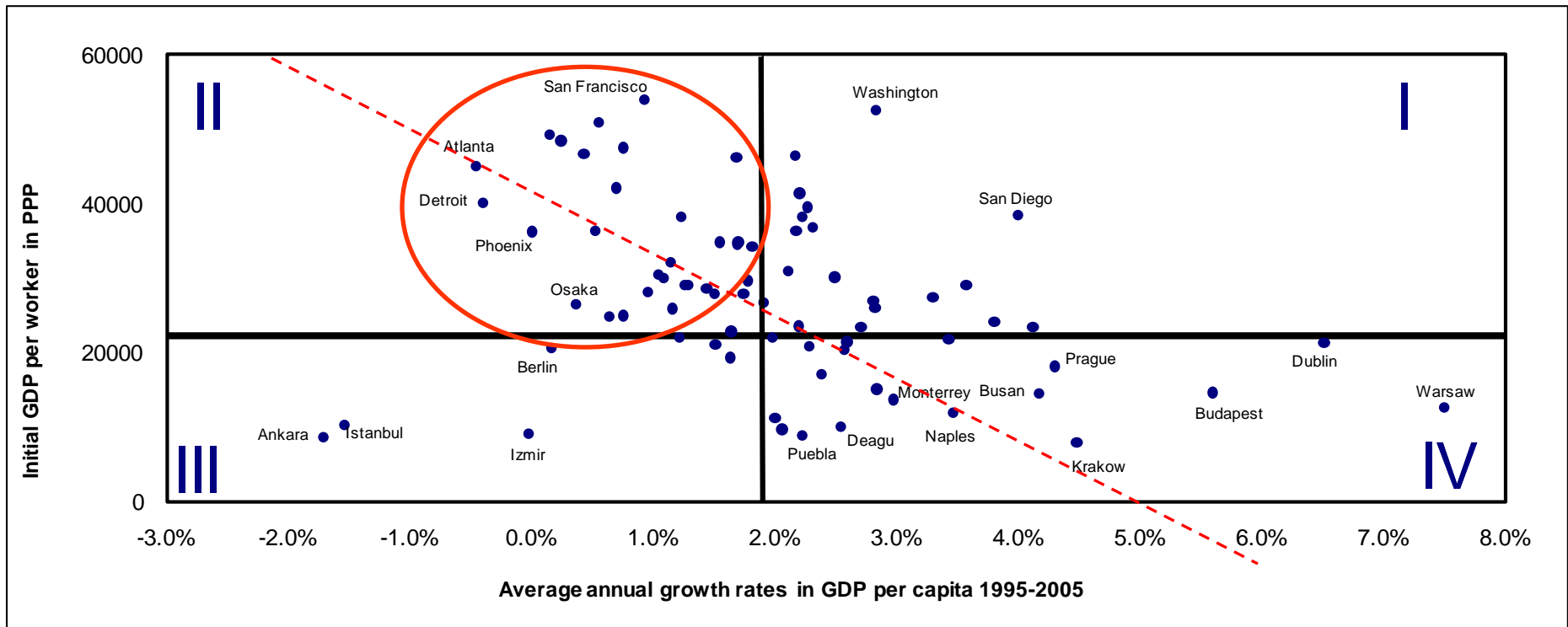




# ...but not necessarily faster growth

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

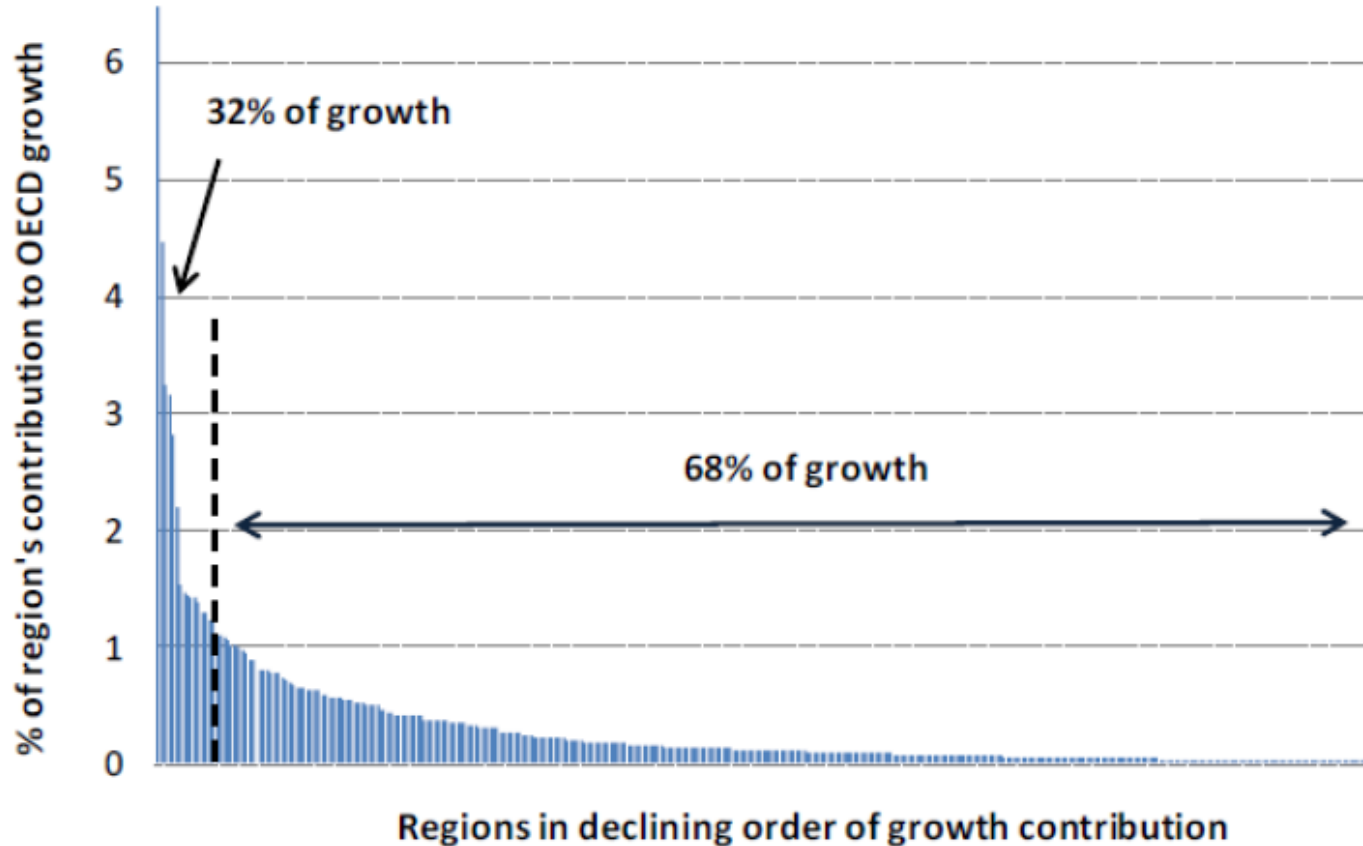
Metro-regions appear to have entered in a process of convergence.



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

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

Contributions to growth by OECD TL2 Region, 1995–2007

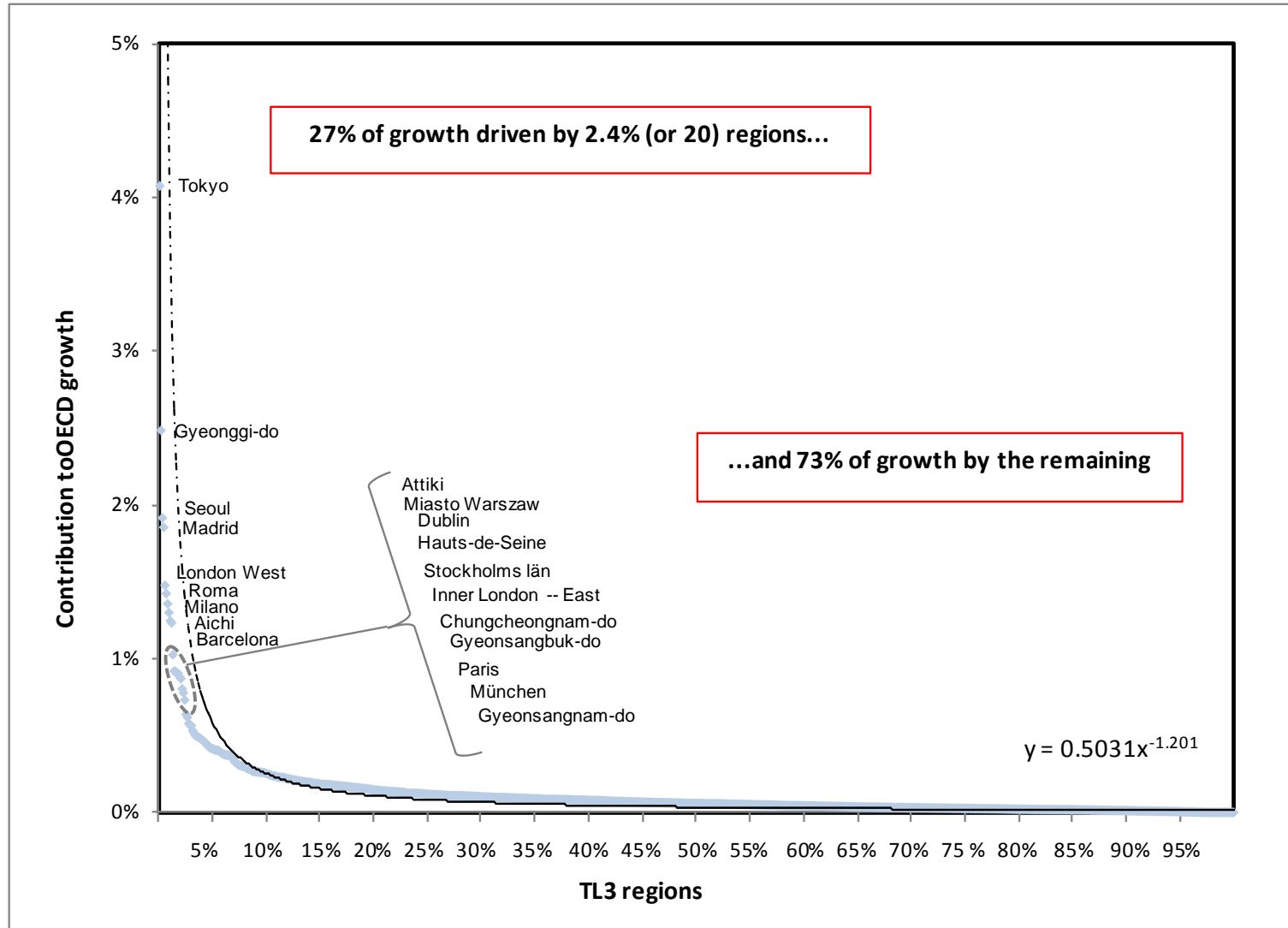


Source: OECD Regional Database (Territorial Level 2 regions).

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



# Contributions to growth OECD TL3 regions





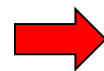
# Lagging regions contribute to national growth

## 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%
<b>average unweighted</b>	<b>43%</b>	<b>57%</b>
<b>average weighted</b>	<b>44%</b>	<b>56%</b>

*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, Given This Clear Regional Dynamic

**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 21<sup>st</sup> century?”



# The Framework for Regional Rural Innovation



## Critical Internal Considerations

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

# What is Demanded?

1. Asset-based development
2. Regional frameworks
3. Support for New Intermediaries
4. Regional Innovation Policies Which Align Rural and Urban Interests

5. Attention to Working Landscapes
6. Bridging Innovation and Entrepreneurship Support Systems, Across the Rural/Urban Chasm
7. Addressing Spatial Mismatch in Key Sectoral Alignments
8. Innovative and Linked Investment Approaches Which Enhance Jurisdictional and Cross-Sectoral Collaboration

# IV. Challenging the Urban Metaphor, in a Disruptive Milieu



A History of  
Future Cities

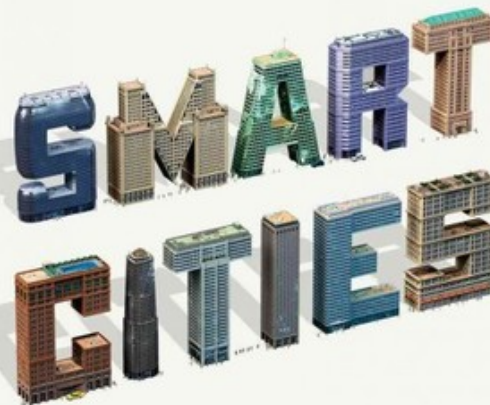
DANIEL BROOK



**THE  
METROPOLITAN  
REVOLUTION**

How Cities and Metros  
Are Fixing Our Broken  
Politics and Fragile Economy

BIG DATA, CIVIC HACKERS, AND THE  
QUEST FOR A NEW UTOPIA



**SMART  
CITIES**

ANTHONY M. TOWNSEND



Digital  
Cosmopolitans in the  
Age of Connection

**REWIRE**

ETHAN  
ZUCKERMAN

CITIES

ARE

GOOD

FOR

YOU

THE  
GENIUS OF THE  
METROPOLIS



LEO  
HOLLIS

"All the News  
That's Fit to Print"

# The New York Times

National Edition

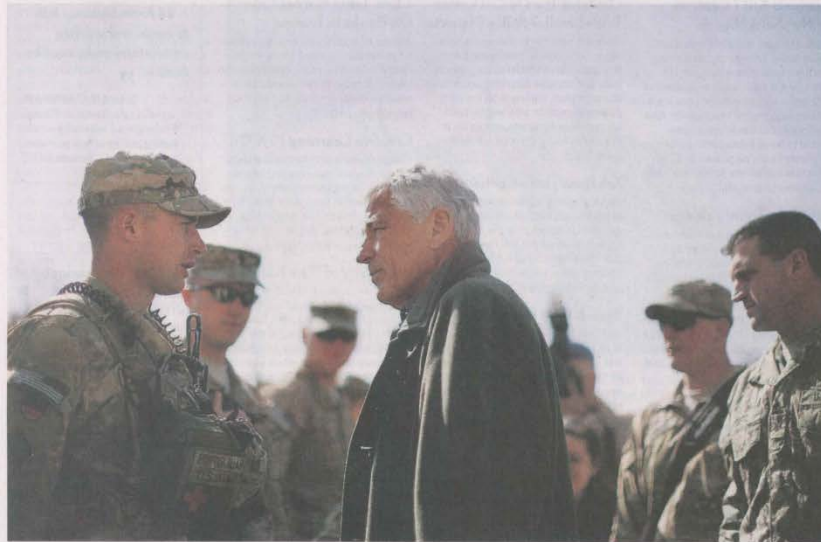
Mostly cloudy north. Part mostly sunny south. Highs in upper 20s to middle 40s. Clear, partly cloudy tonight. Lows in the 20s. Weather map, Page 2.

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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 brawling 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

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## CUTS GIVE OBAMA PATH TO CREATING LEANER MILITARY

### SOME PENTAGON BACKLOGS

### Bases, Health Program and Nuclear Armaments 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 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, 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 done smartly, could easily be 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 focus on Special Operations forces.

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

Mr. Obama will visit Capitol Hill 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 are

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 Vermont 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 com-

Continued on Page A12

## 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

# FATE OF THE STATES



THE NEW GEOGRAPHY OF  
AMERICAN PROSPERITY

MEREDITH WHITNEY

# V. Final Reflections

“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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