

**A Rural Policy for Our Nation:  
Charting a New Course for a Community-Based Approach**

**Final Recommendations from a National Invited Dialogue**

Airlie Conference Center  
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The United States' rural policy framework has evolved as various agencies pursued their ideas and missions. This evolution has led to fragmentation that undermines the effectiveness of national policy. Our panel members agree that the United States urgently needs a coordinated national policy. That central theme, coordination and collaboration, is the foundation for the rest of these our recommendations regarding rural policy and rural development.

This summary captures the opinions and perspectives of a diverse group\* convened by the Rural Policy Research Institute and the North Central Regional Rural Development Center. We appreciate the funding and staff time support provided by USDA/CSREES.

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## Overview and Key Issues

The recommendations that follow result from a discussion that occurred at the Airlie Conference Center in Warrenton, Virginia, on June 12 and 13, 2001. The participants represented a range of perspectives and backgrounds, including natural resource management, environmental stewardship, forestry, and rural education. Participants also represented agricultural producers and workers; non-agricultural entrepreneurs; Land-Grant Universities; the foundation and philanthropic communities; local, state, and federal governments; and state legislatures. Staff members from the House and Senate Agricultural Committees were also present as observers. (See appendix for participant roster.)

### Key Issues

Prior to this discussion, participants were asked to identify the issues, challenges, opportunities, constraints or insights they believed would most impact efforts to build a more integrative, community-based rural development policy, with specific attention to those that would influence the intersection of policy and practice. During their discussions, they grouped most of the issues and insights into four general priorities.

- **Cooperation across jurisdictions in policy development and implementation**
- **Entrepreneurship market opportunities and the private sector as community development drivers**
- **The agricultural sector as a community development driver**
- **Community capacity, including workforce development and education**

Within this framework, participants defined opportunities for and constraints on success. Then they broke into four groups, one for each priority. The four groups reported to two plenary sessions to allow for review by all participants. The principles and outcomes that emerged during this process are presented as a context for the entire group's recommendations. These recommendations reflect a general consensus. They do not reflect specific perspectives of any participant or the organizations they represent.

## Overarching Principles

### */ Take Rural Diversity into Account*

Diversity among rural areas requires place-specific rural development programs and policies. Participants defined four broad types of rural areas:

- High-growth rural areas adjacent to metropolitan centers,
- High-growth, high-amenity rural areas,
- Persistent-poverty rural areas, and
- Remote and isolated rural areas.

These variations in place, often complicated by issues of race and ethnicity, require that programs be responsive to the actual situations of these very different areas within rural America. No cookie-cutter approach will suffice.

### */ Integrate Policies and Programs*

Policies and programs should be based on these principles:

- Policies must be sustainable over time.
- Interagency coordination should occur.
- There must be an inclusive, “bottom-up” approach, with federal and state support.
- Inclusiveness should occur at all levels.
- Entrepreneurship should be encouraged at all levels.
- Equity, as well as efficiency, is a critical component of rural public policy.

### */ Use Market-Based Approaches*

Whenever possible, rural solutions should be market-driven. In some situations, incorporating rural areas into existing regional economic sectors may be a good approach. In others, the development of new regional sectors, with particular attention to building linkages with rural areas, may be best. Many participants favored policies that reduce the transaction costs of linking rural institutions and firms to viable regional structures.

### */ Build the Capacity for Rural Development at All Levels*

Local capacity to craft and implement policy is critical. Local citizens must be engaged and involved. Including young people and strengthening rural schools are two ways to create sustainable local capacity. On the other hand, policies that impose top-down solutions limit community capacity building. National Rural Development Partnership efforts to identify impediments to capacity building are critical in the formation of a more coherent, equitable, and effective rural development policy.

### ***/ Link Market-Based Approaches to Enhanced Community Capacity***

Many policy issues stem from the nexus of market forces (which often are indirectly influenced by public policies) and rural economies. Focusing only on market forces allows for new economic options to contribute to the deterioration of local leadership, the local tax base, the natural resource base and other local assets. Building local leadership and capacity has the opposite effect.

### ***/ Collaborate in Rural Policy Formation and Implementation***

Collaboration among public and private sector and non-governmental organizations is critical to creating new opportunities based on the distinctive assets of different rural places. The federal agency leaders in attendance recommitted themselves to programs to help rural communities and firms better combine their resources. And the organizations in attendance identified new ways to collaborate. Determining rural development policy alternatives and principles “from the ground up” was acknowledged as an important base for strong, entrepreneurial local economies, and strong, engaged rural communities.

## **Outcomes of more integrated rural policies**

There was general consensus on the outcomes sought from rural-development policies:

- ? Healthy, productive, respected, well-informed, and self-confident community members,
- ? Strong, unified communities,
- ? Healthy local economies,
- ? Reduced poverty,
- ? Healthy land and resource bases,
- ? Food security, and
- ? Vital small and medium-sized farms.

## **Policy Recommendations**

Four clusters of recommendations emerged. They are identified as central to developing an integrated rural policy and practice framework. These recommendations first emerged from small group discussions and were discussed and refined in plenary sessions.

### **Roles and Relationships of Different Jurisdictions in Rural Policy Development and Practice**

‡ The principle role of the federal government in rural development policy should be to provide funding and technical assistance for policies developed in response to local need:

- Require an institutional culture of cooperation.
- Decentralize funding mechanisms to support collaborative decision-making.
- Include technical assistance in funding, to optimize its impact.

‡ The structure of the current federal bureaucracy does not support or promote multi-jurisdictional cooperation and collaboration. These suggestions address this concern:

- Identify and empower a federal coordinating group to address this challenge.
- Target program dollars as incentives for more effective collaboration among federal agencies.
- Decrease the separation between policy-making and program administration.
- Standardize outcome measures as much as possible.
- Support entrepreneurial thinking; create a tolerance for failure.

‡ A disconnect exists between Congressional authorizers and agency regulators / program administration. Misinterpretation, inequities and ineffectiveness too often result.

- Place should not dictate each American's access to public services.
- Prepare a national statement regarding rural America's rightful expectations of the federal government to provide connections and guidance.
- Involve communities in federal agencies.
- Outline performance standards with programmatic responsibilities.

‡ The President should fully implement the policy requests of the bipartisan Congressional Rural Caucus. These recommendations include:

- Appoint a Special Assistant to the President for Rural Affairs, who would coordinate the Administration's rural portfolio, provide liaison to the Council of

Economic Advisors and Domestic Policy Council, coordinate rural leadership across federal departments through a Working Group for Rural Affairs, and serve as White House liaison for rural initiatives within Congress.

- Designate a senior-level rural policy position within the Office of the Secretary of each federal department, similar to the Under Secretary for Rural Development within USDA and the National Advocate for Rural Affairs in the Small Business Administration.
- Establish a White House level interdepartmental Working Group on Rural Affairs, chaired by the Special Assistant to the President for Rural Affairs, and composed of these senior-level federal departmental personnel.
- Develop a joint White House / Congressional Conference on Rural America—a national dialogue on developing a common framework for a more integrated rural policy.

‡ The Agriculture Committee continues to have the mandate for rural development policy. To increase congressional attention to rural development, several suggestions are offered:

- Alter the Congressional Committee structure to provide a specific rural development / rural policy responsibility.
- Specify the coordinating role of State Rural Development Councils (SRDCs) and determine accountability measures.
- Redefine the responsibilities for USDA Rural Development Directors to emphasize a coordinating role among state, regional, and local governments and organizations.

## **Entrepreneurship and the Private Sector as Community Development Drivers**

Smokestack chasing, not entrepreneurship, is still prevalent in rural America. We must create an environment, through culture and capacity, that supports entrepreneurship. Policies should support a range of options to ensure equity. For example, supporting microenterprise development will help alleviate poverty.

To accomplish these goals:

‡ Create the capacity to identify comparative advantage and new markets. That includes clustering opportunities in a community and visioning to define community goals.

- ‡ Encourage community residents to move from a “producer” to a “market” orientation, honoring risk-taking and sharing in failure.
- ‡ Provide education, from entrepreneurship in schools through technical assistance for entrepreneurs.
- ‡ Build local and regional sources of capital to support entrepreneurs.
- ‡ Encourage informal and formal networks of entrepreneurs.
- ‡ Address the communications, transportation, energy, land and other infrastructure needs of entrepreneurs.
- ‡ Strengthen existing programs and infrastructure (Economic Development Administration; Appalachian Regional Commission; Cooperative State Research, Education, and Extension Service; Regional Rural Development Centers, etc.).
- ‡ Institute a competitive grants process that rewards strategic partnerships with the private sector.
- ‡ Support networks for regional entrepreneurial development (i.e., Sustainable Agriculture Research and Education). This network concept should:
  - Support research to increase the knowledge base for entrepreneurial rural development;
  - Create mechanisms to share resources, ideas, and information;
  - Link such related organizations as community colleges, universities, and microenterprises.
- ‡ Provide non-profit organizations, lenders resources to address rural infrastructure needs.
  - Explore new models for expanding broadband access in rural America.
  - Promote alliances among rural communities to address infrastructure needs, e.g., incubators, services as entrepreneurial opportunities.
- ‡ Provide professional education and program development / entrepreneurial education through:
  - K-12 / after-school programs
  - Technical assistance / business support providers
  - Universities / community colleges
  - Cooperative Extension / forestry
- ‡ Expand access to debt and equity capital for entrepreneurs in rural America:

- Expand funding to the Community Development Financial Institutions Fund, and require a larger proportion to be invested in rural areas.
- Fully fund the Federal New Markets Venture Capital initiative, which provides investment capital in non-traditional places.
- Redirect policy from direct payment subsidies to entrepreneurial opportunities, and promote new lending models to increase broader access to capital.

### **The Agricultural Sector as a Community Development Driver**

‡ Our nation’s agricultural food policy should focus on providing safe, nutritious, affordable, quality food for all, and on fair prices that reflect the multiple benefits provided by farmers and ranchers, including care of land and water.

- Adequately fund nutrition / food programs such as food stamp reauthorization for all U.S. residents.

‡ It is appropriate in federal policy to support farmers in the production of public goods. Therefore, conservation programs should be supported, particularly those that reward the protection of air and water quality, measures to decrease global warming, and biodiversity in working farms.

- Adequately fund conservation and farmland protection programs.

‡ Markets are changing, and policies that provide new opportunities in global and domestic markets should be encouraged. In all these efforts, one goal should be to return a larger percentage of the consumer dollar to farmers and ranchers, and the community, while sustaining the natural resource base. Short term (e.g., support for entrepreneurship), and longer term (research and education) programs are important.

- Support farmers, ranchers, and communities in changing and adapting for diversification, innovation, value-added (including bio-energy) enterprises, cooperative development, and more primary connection with consumers.
- Support research as a base for these innovations.
- Support education and technical assistance to innovative organizations and communities.

‡ Equitably serve and invest in the viability of limited-resource, minority, and beginning farmers in all regions and develop their capacity to contribute to the economic base of their communities, as well as the capacity of the community-based organizations that serve them.

‡ Restore and build connections between producers and consumers, and between urban and

rural people. Examples include community food security, farm-to-school, farm-to-food, and direct-marketing programs, as well as government-to-government and urban/rural interactions.

‡ Assure that all people and communities have access to the goods and services essential for a decent quality of life. This should include rebuilding or restructuring support industries that have been lost through consolidation, such as health, housing, education, and infrastructure.

‡ Keep and expand successful programs and develop new programs to address the diversity of agriculture and communities across rural America. Examples include:

- Sustainable Agriculture Research and Education, Outreach and Assistance Grants for Socially Disadvantaged Farmers and Ranchers Program (2501 Program), Resource Conservation and Development,
- The Technology Opportunity Program in the Department of Commerce,
- Technical assistance for farmers in business planning and entrepreneurship, both directly to farmers and via agencies and community-based organizations,
- Rural Business Enterprise Grants, Rural Business Opportunity Grants, revolving loan funds, including technical assistance and partnership development funding.

‡ Publicly funded research should benefit the public. The resultant products and technologies should be developed and assessed in a manner that serves the public interest. Include those who stand to benefit or be harmed by publicity and these technologies in these assessment processes.

### **Community Capacity, Including Workforce Development and Education**

- Invest in the Economic Research Service and Regional Rural Development Centers to include in their mission the evaluation of and communication about effective rural development models.
- Fund the Regional Rural Development Centers to provide for national information and analyses networks.
- Mandate and fund a biennial national report on the State of Rural America.
- Increase federal support for building local leadership and capacity.
- Develop a competitive contractual process for delivering leadership development programs.
- Build on the USDA Community Development Initiative and increase funding for programs that encourage and support public/private partnerships.

- Develop youth leadership in rural communities through a variety of youth-leadership program providers.
- Assess models used to achieve rural development goals.
- Investigate the potential for utilizing rural development titles in legislation other than the Farm Bill, i.e., Fair Share qualifiers, Equity qualifiers.
- Include an equity impact statement within all legislative appropriations (i.e., geography, income, race / gender / age). The Congressional Budget Office could include a rural impact statement with all appropriation analyses.
- Mandate a clear new vision for vital rural communities within the Farm Bill, akin to HUD's "decent, affordable housing for all."
- Establish and fund the Bishop/Autry and/or other fellowships for rural development.
- Develop a State of Rural America research report modeled on MDC's "State of the South" report.

## Summary

A broad base of stakeholders in federal, state, and local governments and organizations worked on these recommendations. They focus on market solutions, reached with the support of federal policies and programs. Rural market disadvantages include low tax bases, population dispersion, a voluntary local government structure, and lack of community-based leadership.

These four sets of policy recommendations are highly interrelated. Each set encourages entrepreneurship in government agencies, rural businesses, and not-for-profit organizations. Each is based on the unique role of the public sector in providing equal opportunities to all citizens, regardless of place or circumstance, in a framework that protects our nation's natural environment.

## APPENDIX I

### A Rural Policy for Our Nation: Charting a New Course for a Community-Based Approach June 12-13, 2001 Airlie Retreat Center, Warrenton, Virginia

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