Rural Development and the Declining Coherence of Rural Policy: An American and Canadian Perspective

Agricultural Economics Staff Paper # 467
June 12, 2007

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Abstract

Rural development policy in North America has moved from a position of national importance to one of marginality as Canada and the United States grew. While rural policy and agricultural policy are no longer synonymous there is no firm consensus on what national governments should play. While national governments can operate effective commodity based policy they are less capable of managing people based policies and quite weak in operating place based policy. However as rural communities evolve in a variety of ways, it is the latter two types of policy that are most useful. Moreover social change has resulted in broad public policy being more concerned with the “ecological function” of rural areas and less concerned with the economic and social well-being of rural residents. All this suggests that rural communities will increasingly have to rely largely upon local resources and local initiative is they wish to develop.

Key Words: Rural policy, North America, Local development, policy coherence

Rural development in the United States and Canada is an idea that in the past had a clear definition and was widely accepted by society, but in more recent times has become less precise with various groups identifying different elements as making up rural development. One approach to the subject is to decompose “rural” and “development” into their various meanings and then construct a set of definitions of rural development based upon reassembling the resulting terms. The various definitions of rural determine the appropriate domain and the definition of development as: economic growth, community cohesion, a broader socio-economic construct, or something else, defines the scope of action. This mechanistic structure serves to emphasize all the conflicts between the various proponents of rural development and obscures the common ground.

Instead I will try to identify the central issues in rural development in North America and to show the common core. This common core becomes the means to understand why rural development remains a significant issue in both countries, despite rural becoming increasingly peripheral to national economies, and societies in both countries becoming increasingly detached from any meaningful contact or understanding of rural places and people.

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The College of Agriculture is an Equal Opportunity Organization.
**Federal States and Divided Powers**

Both Canada and the United States are federal systems of government with formal divisions of powers between provinces/states and the national government. In both countries the states and provinces are assigned most of the authority to undertake the functions that are typically thought of as covering rural policy. They have clear responsibility for: almost all education, the design of local government, management of most natural resources and the provision of most types of infrastructure. National governments play a larger role in issues where international relations are concerned and in matters where multiple provinces or states are involved.

Agriculture is a shared responsibility in both countries, but a strict constitutional reading would suggest it is more provincial/state than national. However in practice national governments have played the main role in developing agricultural policy and in supporting farmers. Much of this reflects the historical linkage between national development and agriculture as well as the inability of states and provinces to fund support for farmers in the 1930s. However, even in more recent times, few states or provinces have been very active in promoting and funding agricultural development efforts.

The limited engagement in agriculture extends to virtually all forms of rural development. It is difficult to point to a state or province that has put in place a coherent set of rural development programs and maintained support for these initiatives over a number of years. In Canada in recent years Quebec has exhibited more involvement in rural policy than other provinces. In the United States Wisconsin has the longest record of supporting rural development. The more rural states and provinces tend to lack the fiscal capacity to put meaningful programs in place while the more urban states and provinces have a host of competing demands that are often more visible and pressing.

The consequence of weak authority for rural development at the national levels and weak interest at the state provincial level has been rural policy that is sporadic, uncoordinated and rarely linked to local needs (Freshwater, 2004). National governments may be able to implement pilot projects without attracting major concerns about usurping power but they cannot easily construct long term integrated approaches to rural development. Because local governments are created and supervised by states and provinces, relations between national governments and local governments are weak, especially in rural areas.

In rural policy there is only a weak hierarchy of relations among government and various stakeholders (Rowley and Freshwater). In particular there is no single point that dominates the policy discussion. While there are policies that influence rural areas and their development, there is no rural development policy, nor is there really the possibility of developing one because no entity has sufficient authority to initiate or deliver such a strategy. As a result, rural development truly is a bottom-up process with each locality defining how it will try to develop. For rural development to become a true national priority it would take a concerted effort by the President and the White House personal...
staff in the US, or the Prime Minister and the staff of the Prime Minister’s Office in Canada. Absent this ultimate leadership, rural development falls between the cracks in the responsibilities of different agencies.

**Rural Development and National Policy**

European settlement in North America began on the eastern seaboard and spread westward. In both countries national policy, after independence in the United States and after confederation in Canada, was to bring western lands under effective control. In both countries cities were initially minor sources of economic activity and the bulk of the population lived in rural areas. The primary function of cities was to provide a transshipment function where goods and people from Europe arrived and raw materials left. Eighteenth and Nineteenth century history in North America is largely a description of conflicts over how the rural west was to be populated and the means by which this population took place (Cochrane; Fowke).

Until the late 1890s in the United States and until the 1930s in Canada, the main national policy was settlement driven. Consequently national policy was rural development policy, and the main means for rural development was expansion of agriculture, so rural development policy was agricultural policy. In this extended period canals and railroads were constructed, land was surveyed and made available for farming, and people were recruited from Europe to populate the new territory. While urban centers grew rapidly over the period and their functions expanded to include manufacturing and tertiary services, the main development focus was on establishing agriculture in the rural territory.

The closing of the frontier, the Great Depression and World War II marked the end of this period. Conditions changed and the consensus on rural development ended because its time had passed. However the legacy of the consensus remains. It remains a central part of the history of both countries, many of the institutions created to support it survive, and farmers, in particular, continue to embrace the idea that agriculture is central to rural and rural is central to the nation (Freshwater, 2001). Following World War II, out migration from rural areas accelerated, largely because farming mechanized and scale economies in farming increased which led to surplus labor. More significantly the relative importance of urban areas increased, both in terms of economic activity and population.

Until roughly the mid-1960s there was little interest in rural development because it appeared that out migration was desirable both for the people involved and for the larger society. Output of natural resources increased as more capital was applied to replace labor. In both Canada and the United States programs were instituted to take marginal farm land out of production. Immigration to both countries continued, but now immigrants remained in urban areas causing the population of cities to grow quickly.
Farm Policy and Rural Policy

Prior to the 1930s agriculture in both Canada and the United States was largely unprotected and export oriented. While there were major boom and bust cycles the policy imperative was territorial expansion through settlement and generation of export earnings, not protection of farmers. In the 1930s exports declined precipitously, farm incomes fell and it became clear that settlement of the frontier had ended. In the 1930s a significant policy change began that reversed the linkage between national policy and agriculture. National policy had been rural development policy and farm development policy was its main instrument. But, in the 1930s farm support became a national policy objective as a way to control out migration of farm families, reduce environmental degradation in rural areas, and limit the consequences of a collapsed export market for natural resources. Rather than farm policy being the instrument for a larger rural development policy, farm policy, in particular the protection of farmers, became the objective for rural policy.

At the time this was a pragmatic approach. The effects of the Depression were much more severe in rural areas and rural residents were still about half the total population. Further, farmers were the majority of the rural population and most rural non-farm households indirectly depended on agriculture. The reversal in policy causality was important for rural development. In the process the policy focus shifted from the larger domain – improving rural areas to something more restricted – enhancing the income of farmers (Freshwater, 1997). And as the relative role of farming and farmers in rural America and rural Canada declined, farm policy became less effective in meeting rural development goals.

By the 1980s the disconnect between farm conditions and broader rural conditions was undeniable. A farm financial crisis that was the worst since the 1930s had major consequences for farm families and those communities in rural areas that were still dependent on the surrounding farm economy. But for the majority of rural people the farm crisis was no more significant than it was for urban residents. In the years since World War II farming had been replaced by other sources of income and employment in the majority of rural areas (Freshwater and Deavers).

The main exception is a band stretching through the center of the continent running from Saskatchewan to Texas. Importantly, the value of agricultural output had increased greatly and farming was still the dominant land use in both countries. The land base of agriculture in both countries has remained remarkably stable over the last century, so in issues concerning land use agriculture remains as important as in the past. But the majority of the rural population, even in farm dependent areas, are now employed outside agriculture.

A second central issue for rural development is the allocation of public funds. Declining farm numbers and improved economic conditions for farmers did not result in a reduction in the amount of funds flowing to farms. Farm lobbies continued to argue that farmers were disadvantaged as their incomes approached and then exceeded national averages.
High levels of farm support crowded out funding for other forms of rural development particularly as farm interests continued to be successful in arguing that the old logic of farm support being synonymous with rural development still held, despite evidence to the contrary (Browne).

**Rural Development in the Current Millennium**

By the end of the 20th century the conditions facing rural areas were much different than had been the case for most of that period (Barkley; Freshwater, 2000).

- **Commodity Production:** For all but the last few years commodity prices have been relatively stagnant. At the same time producers in North America have faced competition from other countries whose production costs are lower and which have less stringent environmental regulations. Traditional commodity production is now challenged by public pressure for alternative uses of the resource base that involve passive uses instead of extraction. Low prices, falling stocks, small share of rural output and employment, conflicts with passive use vs. extraction etc.

- **Labor Surplus:** For most of the 20th century the substitution of capital for labor in rural areas led to out-migration to urban areas. Rural workers who were displaced were able to find better paying jobs in urban areas. Now however the combination of reduced demand for lower skill workers and an influx of recent immigrants to urban areas has made out migration a less effective adaptation to ongoing job losses. Moreover there is a growing sense that out migration without good employment prospects is counterproductive because it may impose higher costs on the individuals and society than leaving these workers in their current communities.

- **Globalization:** More open trade regimes have had a disproportionately large effect on rural areas because they produce a much higher share of tradable goods. Moreover most of these goods are readily produced in developing countries with lower labor costs. As capital flows became less restricted the ability of developing countries to make investments in industries that directly competed with rural firms made the labor cost differential even more significant.

- **Suburban Policy Agenda:** Canada and the United States have both experienced major population increases over the last 30 years. Most of the increase is from immigration and most of the immigrants are in urban centers. This has led to greater political influence for the urban population and in particular that portion of the urban population that lives in suburbs. These largely middle class residents tend to place a high value on the environment and a relatively low value on forms of rural development that alter natural ecosystems. The result has been increased opposition to any rural development strategy that conflicts with popular perceptions of environmental quality.
Less Federal Capacity: In both countries the combination of more pressing demands for public funding for other purposes and the inability to articulate a broadly supported rural development strategy made it difficult to find funds for rural policy. Moreover more comprehensive approaches inevitably ran into jurisdictional conflicts with provinces/states that typically could only be resolved by increased federal transfers.

The major structural changes that resulted from these forces have led to a rethinking of rural development strategy. The changes are largest at the local level because it is rural communities that have been under the most pressure to change. However it is clear that adaptation has not been uniform. Probably as many communities remain uncommitted to change as have chosen to adapt (Mcdowell; Reimer and Bollman). Communities that have adapted now see local initiative and local responsibility as the starting place for rural development. Higher levels of government may be able to support local efforts but they cannot direct the strategy (Honadle). In addition there is growing emphasis on locally based small businesses. This reflects the mixed effects of industrial recruitment and the belief that local entrepreneurs are more likely to establish firms that are compatible with the resources and opportunities of the community than are outsiders. In almost all cases these approaches take place in communities with a high level of social capital. Without a strong community consensus it is impossible to implement a locally based development strategy.

The result is a rural policy that is broader in its definition of both the components of rural policy and the actors involved in it. Economic function is still the main element, but there have been important shifts in how economic activity is conceived. In the past a simple export-base approach drove most development strategies. In addition most of the activities were based on some location specific factor of production, either, arable land, forests, mineral deposits or surplus low wage labor. Exploiting the factor of production led to rural development. The role of policy was to enhance the flow of complementary factors to the immobile rural resources and provide the connections to external markets.

The adoption of more locally based development approaches has shifted the focus of development away from resource extraction and export to improving internal linkages within communities (Radin et. al.). Rural policy still recognizes that rural places have truncated economies and have to export in order to generate income to purchase goods and services they cannot produce internally, but there is more interest in building internal linkages and in non-consumptive uses of the resource base, such as recreation in forests in addition to timber harvest, balancing wildlife habitat with agricultural production and finding manufacturing firms that offer a “jobs ladder” instead of only providing “dead-end” work.

In addition the link between rural development and farm policy was largely severed. While farmers continued to argue for public support, the public policy rationale had shifted to instability in farm incomes and unfair foreign competition. In the United States aggregate farm income was at a high level, in part because of massive government payments to farmers. In Canada aggregate farm income had fallen significantly triggering
demands for more support to maintain parity with U.S. producers. Thus even though farm groups no longer played the rural development card, they continued to view their right to public funds as unaltered. And, for the largely urban population farmers continued to represent rural.

For non-farm related rural interests, the continued success of farm groups in shaping the debate over rural policy and controlling public funds was frustrating. Because departments/ministries of agriculture were the main contact point for both farm and rural policy all other rural issues were funneled through the agricultural bureaucracy. Not surprisingly much of the bureaucracy and the political staff in Agriculture were neither familiar, nor particularly interested, in non-farm rural issues. Efforts by rural advocates to shift the responsibility to other line agencies that were familiar with specific issues, such as housing, health care, transportation, etc., were typically unsuccessful because these agencies had a largely urban focus and failed to appreciate how rural was different. Further because the agriculture department had been assigned the lead role other agencies were in a weak position to initiate programs even had they wanted to.

By the 21st Century the competitive position of rural North America had greatly changed (Freshwater, 2003). Exports of natural resources were less profitable as other nations increased agricultural production and began to supply a greater share of wood and minerals. The rural manufacturing sector was decimated by the combination of lower tariff barriers, global capital markets and the overwhelming cost advantage of low cost labor in developing countries. Domestically, rapid population growth in cities shifted the balance of political power away from rural residents and led to the imposition of new environmental regulations on rural activities.

Growth in rural areas took place in two distinct locations. The first was in rural territory adjacent to fast growing urban centers. Suburbanization led to increased populations and territory moving from rural to urban status. The second was in high amenity areas where more modest population growth allowed places to remain rural but the nature of the community changed to serve tourism and second homes. In both cases the result was conversion to something that no longer reflected the conventional understanding of rural. In most other rural areas opportunities for income and employment became harder to find.

Despite the major structural shifts in rural areas there has been little interest in actually dealing with rural policy. Governments in both countries continue to claim an interest in rural development, but largely do little to encourage it. In Canada a Rural Secretariat was created in part to ensure that all ministries paid proper attention to the impacts of policies on rural places, but there are few new rural policies and even less new funds for rural development. There is a recognition that something other than sectoral policy (agriculture) is needed, but there is little agreement on what that new policy should look like and how it should be delivered.

To some extent this reflects the fact that national governments were able to manage commodity based policies, but have a more difficult time with more comprehensive
approaches. A single line ministry lacks the authority to manage a comprehensive approach. Spreading authority and responsibility for rural development across multiple agencies leads to bureaucratic inertia and coordination problems. But more importantly there is no national consensus on what role the countryside and the people who live there should play.

**Key Elements of Rural Policy - Places, People and Activities**

For rural development policy to be effective it has to incorporate the three defining dimensions of rural life – place, people and economic activity. In North America rural policy has largely concerned itself with activities or sectors - enhancing the economic functions that take place in rural areas. This reflects a belief, that was once largely true, that if economic activity was profitable and could be expanded, the necessary consequence would be improved incomes and living standards for rural people and an improved quality of life in rural places. For almost all this period the main impetus for rural policy was the national governments of Canada and the United States.

In the past agriculture was by far the most important economic activity supported in rural areas and remains the most supported today. Other primary industries and manufacturing have also been encouraged in rural areas by a combination of low cost access to natural resources, capital grants, tax reductions, the provision of infrastructure and other cost reducing supports. The intent was to offset the two key impediments of rural places – distance from markets that leads to high transport costs, and limited quantities and quality of labor. A central feature of North American rural policy is its strong economic orientation. While in Europe social cohesion is a motivating force for rural policy, in North America the main rationale has always been productivity.

Rural places largely have value because they make a contribution to national economic well-being. If in the long run the value of their output is less than the cost of maintaining the people in a place, there is little public support for maintaining that community. Support in the short run is justified because certain costs are higher in rural areas and “infant industry” arguments are plausible. Similarly if the demand for labor is higher outside rural places then from a policy perspective it is important that rural people be encouraged to relocate. This approach was effective as long as North America was experiencing a period of rapid urban growth that provided better income and quality of life opportunities for the rural population. Moreover the core rural industries, agriculture, forestry, mining and fishing all experienced rapid technological change that substituted capital for labor, leading to labor surpluses even as output increased. Through the 1970s rural labor outflows were accompanied by an improved income position for those remaining, and increased output.

Activity based policy became ineffective by the mid-1970s, but its weaknesses were fully revealed in the 1980s. In agriculture the worst financial crisis since the 1930s caused severe financial problems for a large share of producers, but in rural America and rural Canada outside the narrow belt of farm dependent counties that runs through Saskatchewan down to Texas the effects were minimal. Agriculture had shrunk in terms
of its significance for most rural economies to the point that a major farm crisis had little effect (Freshwater, 1989). Conversely the decline in routine manufacturing that had grown in the post World War II period to surpass farming as a source of rural income and employment had a more striking effect, particularly in the eastern half of the continent.

The decline of the two main economic engines was accompanied by failing prices for minerals and energy and more expensive extraction costs that weakened these sectors. Forestry and fishing also went through contractions that reduced the demand for labor. The result was a major challenge to the basic idea that rural development was based upon employment creation in rural areas (Galston and Baehler). In the 1980s the main response by rural analysts was to shift the policy focus to improving human capital. And the idea of subsidiarity was introduced as a way to move rural policy design and delivery away from national governments to states and provinces.

These two changes were linked because in both countries education and skill development is largely the responsibility of provinces and states. While the federal governments had been able to exert a dominant influence over natural resources, in part because of history, and in part because it is relatively easy to design and operate policies that deal with standardized commodities, the situation was very different for human capital.

Proponents of human capital investments pointed to the effect of rapid technological change that replaced labor with capital and competition with developing countries where labor was an order of magnitude cheaper. Improving human capital should lead to higher rates of workforce productivity that would make rural areas and workers competitive with the lower skill and lower productivity workers in developing countries (Marshall). Moreover it should increase incomes if workers are able to capture some of the increase in productivity. Even if human capital improvement did not lead to rural development, the proponents argued the investment in human capital was still valuable because the rural workforce could relocate to regions with labor shortages and both the individuals and society would be better off.

The logic was compelling, but in practice people based, human capital focused rural development policy was not widely adopted. Two big impediments could not be resolved. The first was political. National governments had been the key force behind activity (agricultural) rural policy. It was largely national budgets that provided support. A shift to human capital investments was predicated on states and provinces talking over the lead role and the bulk of the expenditure. While there were proposals that national government should fund state and provincial policy these came from the states and provinces which were largely unprepared to take on the responsibility without funding (John, Batie and Norris).

The second key impediment came from the rural people involved. Many middle aged rural residents were not prepared to retrain since they felt they would not be readily employable afterwards. And, many younger rural residents lacked any firm evidence that human capital investments conveyed an employment advantage (Johnson and Stallman).
Moreover there were good reasons to doubt whether a more highly skilled work force would be the salvation for rural areas that advocates suggested. If it wasn’t, then the future involved out migration. For the majority of rural residents large scale out migration is not seen as a viable rural development strategy. To be sure there are multiple examples of individuals and of communities that have progressed as a result of human capital investments, but there is no conclusive evidence that higher levels of human capital by themselves lead to rural development.

In addition, advocates of people based rural policy failed to position the idea as complementary to efforts to support employers. In a sense sector or industry based policies focused on creating a demand for labor. As traditional sources of demand weakened, either because they became uncompetitive in a global economy or because technological change resulted in the substitution of capital for labor, the response was pressure to abandon labor demand for policies that would enhance the supply of labor.

In the mid 1990s a third thread of rural policy became more evident (OECD). While rural sociologists had always emphasized the linkage between people and place in their studies of rural communities their approach had been peripheral in terms of policy. In Canada the Community Futures program that was introduced in the 1980s to address pockets of high unemployment in rural places by stimulating local businesses began to show positive results (Freshwater and Ehrensaft). In Europe LEADER offered similar evidence of the value of place based approaches. In the United States it proved impossible to construct the same sort of long term integrated rural development approach, but the Enterprise Community/Enterprise Zone program of the early 1990s was a weaker, but parallel, initiative.

Support for place based programs was enhanced by broader economic development research initiated by David Birch that argued net job formation was now largely driven by small business. Creating small businesses inherently requires attention to local resources and local markets. This means that an understanding of place is central to the policy. In addition the reinvigoration of economic geography by Krugman and others restored spatial variability as a relevant issue for economic analysis (Krugman). Finally there was a growing realization in many rural communities that if they waited for government at any level to solve the rural development problem they stood a good chance of seeing their community die.

The shift to a place based development focus opened the door for an integration of the two previous approaches. A key component of place based policy is an assessment of the limiting factors and the potential for each community. This SWOT approach inherently requires a community to identify those economic activities where it either has a comparative advantage or where one can be created. It also requires communities to examine the investments that are needed to enable it to be viable. Typically workforce development issues are a major piece of the investment set. Building human capital, in particular entrepreneurial and management skills is a central part of virtually all locally based development efforts.
At the local level, the integration of place, people and activity as the basis for rural economic development is well advanced in both countries. Those places that are growing, in almost every case, have a development strategy that incorporates the three elements. Often, places that are not growing generally still lack the ability to incorporate the three components into a development approach, albeit many places face other issues, such as, scale, distance, financial resources etc. Where the big gap still lies is in the reluctance of national governments to adopt an integrated rural development approach. Despite the success of various pilots and small-scale programs the bulk of government funds flow to specific sectors, primarily agriculture. Human capital development remains a central strategy in both countries, but there is little attention paid to making education and training programs more effective in rural places.

There are obvious explanations for this failure. The first is the narrow self-interest of farmers and their political representatives is in not having funds they now receive diverted to other purposes. This is reinforced by the historic inability of various rural factions to forge a consensus on what they want policy to look like. While subsidiarity is appealing in principle in practice it may mean raising taxes and then letting some other level of government take credit for the outlays. In a multi-level federal system this is a difficult proposition to embrace. Finally there are clear limits to what national governments can and should do. Ronald Reagan famously argued that if the benefits from an investment accrued primarily to a local population, then the local people should be largely responsible for funding the investment. Yet many rural communities continue to plead an inability to do anything for themselves.

While the constitutions in Canada and the United States explicitly identify which level of government has responsibility for specific issues, and where residual authority lies, the problem of rural development cuts across constitutional authority lines. In some cases authority is shared. In some cases historical events have led to one level of government taking on a larger role than the constitution would suggest and this precedent has resulted in specific arrangements that cannot be easily restructured. In some cases fiscal capacity is concentrated at one level and responsibility is nominally at another. In many cases the division of responsibility provides a smokescreen for both levels to avoid having to undertake expensive efforts that have no strong political base.

**Rural Policy Frameworks**

There is a general sense in both countries that rural development policy is fragmented and at times contradictory (Reimer; Drabenstott). The nature of the political process and the division of powers in the two federal systems has made it difficult to implement a comprehensive rural policy. However there are some broad principles or common threads that can be found in the variety of specific programs and activities. These common elements largely constrain what policies can be developed rather than serve as objectives for policy.

Rural policy has largely had a market orientation in both Canada and the United States. Policies were largely developed to offset market failures or to help market forces become
more effective. It is difficult to find rural policies that are explicitly focused on equity or entitlement issues. Obviously there are important equity issues embedded in policies that deal with efficiency issues, but the rationale for policy is largely economic not social. Further, even though national governments have been strongly involved in rural policy there has always been a sense that the local community should be the final arbiter of what is desirable. National governments may set broad parameters for behavior, but local actors determine the specific path for the community.

This latter point reflects the federal systems in both countries. While there are important differences, in general both countries operate under a constitution that make the national government and the states/provinces jointly responsible for rural development issues. Moreover in both countries national governments have tended to have more financial capacity but states/provinces have ultimate control over local government. In general states and provinces have not been enthusiastic about the federal government bypassing them and dealing directly with local governments, although this has been a much more contentious issue in Canada.

Finally there has been a longstanding reluctance to cast rural policy as regional policy. In part this reflects the more common use of regions to deal with larger spatial aggregations that involve multiple provinces or states, or include cities and rural areas. In both countries urban policy and rural policy have historically been seen as independent issues with distinct policy needs. More recently there is growing recognition that urban fringe issues are important and that “smart growth” requires reconciling urban demands for space with rural development. The integration of urban fringe issues into rural policy offers a chance to develop a different kind of rural policy, but risks turning rural development into a byproduct of urban development. The second opportunity for a more regional approach is the growing interest in multi-community collaboration. Unlike traditional “city-hinterland” regional approaches where there is a dominant urban core the focus in multi-community collaboration is a partnership of equals where no place is dominant and each individual place is too small to achieve critical mass. Regional policy in this context is about finding ways to bridge differences among neighboring rural places and mimic scale.

The Logic of Rural Policy

Rural policy exists because there is a sense that rural conditions are in some way below a desired level and that there is a role for the government in improving them. To a considerable extent the types of condition determine the specific policy. For example if incomes are considered low then the obvious policies are those that affect the demand for workers or improve the earnings potential of workers. But there is also an underpinning philosophical reason for the policy interest. Why does government choose to be involved? One reason is social equity or a belief that people are entitled to specific aspects of life. This can be seen in terms of access to some minimum level of social service, such as education, health care, etc. The driving force here is a belief that there is an inherent right that must be met by society.
An alternative approach is to consider the gaps in rural areas a case of market failure so there are inefficiencies in production and distribution that reduce aggregate welfare. In this case the reason for government policy is to increase output or wealth and simply to redistribute it. Efficiency arguments have always played a major role in rural policy in North America but equity arguments are still common. Typically these two perspectives are presented as extremes but in the sense that they both involve a strong role for the government in modifying existing conditions they can be seen as similar. In either case there is a strong argument for the government to act and bring about change. The problem has been that in recent decades the government has not been able to find a way to act that leads to significant change. Irrespective if one favors equity or efficiency as a driving force for government engagement in rural development policy there does not seem to be an effective set of policies that can be defined and implemented.

Given this apparent policy impotence one alternative is to suggest that perhaps there should not be a dominant federal role. In essence this was the state government argument made in the 1980s by the National Governors' Association and the common response of Provincial Premiers. But it is also the underlying philosophical base of the locally based development movement. If a community is responsible for defining and implementing its development strategy then, almost by definition, neither national nor state/provincial governments can play a lead role in this process. One might argue that there really is no clear national or even state/provincial interest in the survival of any specific rural place. While there were many rural places in the past one might reasonably conclude that as a society we may not need as many as we once did. If there is no broad interest in specific places then it is up to individual places to determine which will survive and their individual survival will be determined by whether they fulfill a useful function. One way to rationalize this philosophy is to use ideas from population ecology. There is a branch of species evolution theory termed r/K selection theory that can be adapted to urban and rural places. Rural places can be thought of as being analogous to r selection species. These species reproduce quickly, produce large numbers of young, provide limited care to them and have high individual mortality rates. But the species survives because a significant percentage of the young are able to adapt to any changes in the environment. By contrast K species reproduce slowly, produce a small number of offspring, provide considerable support for their offspring and are individually more resilient to environmental change.

There are relatively few major cities and while new ones do develop it is a slow process. But once a city is in place it tends to continue to survive as conditions change because it has the internal resources to adapt to change. Thus cities have K characteristics. Conversely, rural places have few resources so when conditions change only some will choose the correct initial response and those that do not will lack the internal resources to make a second effort. Rural places have r characteristics because many may die when the environment changes. However from a broader social perspective this may not be a bad thing. Although specific places die, the people there need not. The longstanding argument for human capital investments is that people can relocate to another place and possibly experience an improved quality of life.
The locally based development approach is consistent with the notion of experimentation in policy as a way to make improvement (Osborne). Each rural community by choosing its own development strategy conducts an experiment. But we know many experiments fail. This means that the local development approach must inherently accept that communities fail. The question is then what? If the failure is minor then perhaps the consequences for the place are not severe. If the failure is major then do we rescue the community? One could argue that external support provides an incentive to innovate. One could also argue that external support provides an incentive to be careless. In a pure r strategy approach safety comes from numbers and losses are the price of the strategy. Whether society has to be this doctrinaire is a fair question. But the point remains that we cannot save all rural places and those that act to save themselves will be the most likely to survive, while those that wait for government assistance will most likely die.

Conclusion

A striking aspect of rural development in both countries is its relative invisibility as a current public policy issue. For most North Americans rural areas are increasingly understood as concepts described by the media rather than through direct experience. A rather small share of the urban population now has any meaningful ties to rural areas. This reflects, the growing share of the urban population that is foreign born, the reduced flow of out migrants from rural to urban areas, the aging and death of those who originally came from rural communities and the growth of recreation options that do not involve visits to the countryside. Because people are exposed to a highly stylized picture of rural life that is based largely on historical cultural images they are unprepared to deal with current rural issues (Castle). Moreover because the focus of the urban population is on the environmental aspects of rural areas their typical reaction is to oppose any form of rural development that involves the consumption of natural resources. Forestry and mining have historically borne the brunt of this opposition, but farming is facing increasing opposition to practices that reduce wildlife habitat or the diversity of plant species.

In particular there is very little interest by the general public in the people of rural North America. Conversely, endangered species, changes in landscape and other environmental issues elicit considerable public interest, in part because there are effective NGOs that have large urban memberships and effective mobilization strategies. But other than farmers there is little interest in how rural people live. In the United States the urban riots of the 1960s stimulated a brief period of concern with rural poverty when analysis revealed that black migrants from the rural south who had moved to cities to improve their lives were at the root of urban discontent. In the prairie provinces of Canada the growing population of “first people” is leading to concerns about potential future social pressures as more leave reservations for urban centers. Thus, in both countries the concern with the rural poor is largest when they become the urban poor, are no longer invisible and can no longer be ignored.

In modern society there is little difference between urban and rural life styles especially for the majority of rural residents who live in the urban fringe. Indeed a relevant question
is the extent to which the exurbs are part of the metropolis. Isserman has shown how rural areas have declined over time as rural territory is redefined as metropolitan as rural people become more tightly connected to the urban core (Isserman). His analysis suggests that sprawl will result in almost half the territory of the continental U.S. becoming metropolitan by the middle of the century. But as he and Rybinczski point out there is a large difference between annexing county boundaries and actual urbanization (Rybinczski). Even in the central counties of metropolitan regions the actual share of land that is densely settled is quite small, so a large rural area remains.

Finally, while in North America rural development used to be defined as agricultural development, there is now little connection between agricultural policy and rural development policy. Few strategies for rural development envision a significant role for farming, and farm policy now makes limited reference to rural development. On the other hand farming is typically seen as making a potentially large contribution to environmental improvement. In much of the eastern portion of North America farm abandonment is seen as socially desirable because it takes marginal farmland out of production and creates additional wildlife habitat. In much of the rest of rural North America farming may remain the largest use of land, but rural development strategies largely ignore agriculture and focus on employment and income opportunities in other sectors. Farm related tourism is of some interest in a few of these areas, but it is seldom part of the formal development strategy. The only types of area where farming is still encouraged is in those rural areas in close proximity to urban places, and then it is largely to maintain green space without any public cost associated with land acquisition. Even in these regions there is typically conflict between nearby housing and farms by rural residents over noise, odor and dust associated with active farming, and related concerns by farmers over trespass, theft and vandalism.

What then is rural development? It is certainly not a concept that now has a national public policy focus, even though it did in the past. Changes in the international and domestic economies, technological change and different social values have made the old rural policy obsolete. While we used to be able to say what rural development was, we can no longer do so. But we are able to describe how a definition of rural development comes about at a local level with a considerable degree of consistency. It has to be locally determined and reflect local resources, opportunities and values. But rural development requires having a viable local economy that generates the employment and income that allows people to live in that community. It also requires that there be a community in the traditional sense of the term which involves a group of people who interact in some geographic place (Munro and Hart). The definition of rural development is thus specific to a community or perhaps to a collection of communities, but it is not something that can be specified at the national or provincial/state level, although these governments can legitimately put qualifications or constraints on local choices.

As traditional rural policies become less effective and senior governments seem to be unable to provide effective help more communities are coming to the conclusion that they have to find their own solution. It seems likely that the pace of economic, technological and social change will continue at at least its current rate so the pressure for change will
continue to build. Because every rural place faces a unique situation it will have to choose its own path. Certainly we should expect that many of these experiments will fail but many others will succeed so there is almost certain to be a broad variety of rural communities in the future. The main question we must resolve as a society is what support we provide for those who try and fail, and whether it is the same support for those who fail to try.
References


