



Rural Virginia Prosperity Commission

# Briefing Paper

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## Rural Development Initiatives around the United States

Virginia's Rural Prosperity Commission is mandated to examine the circumstances of rural Virginia and suggest long-term strategies to improve the lives of rural people. Virginia's special initiative and similar ones in other states have been undertaken because of the growing gaps in income, infrastructure investments, leadership capacity, and quality of life between rural and urban/suburban areas. The Federal Reserve Bank of Kansas City has established a Center for the Study of Rural America, and the U. S. Congress funds the national Rural Policy Research Institute (RUPRI) at the University of Missouri. Both of these institutions focus on issues at the national level. The Bush and Clinton administrations organized rural interests around the formation of rural development councils in each state. That effort, administered by the US Department of Agriculture, is called the Rural Development Partnerships program (<http://www.rurdev.usda.gov/nrdp/index.html>). Currently, 37 states have State Rural Development Councils (SRDCs). (Alabama, Arizona, Arkansas, Delaware, Georgia, Hawaii, Kentucky, Louisiana, Nevada, New Jersey, Rhode Island, Tennessee, and Virginia do not have state councils).

The experience in other states suggests seven institutional dimensions of rural policy development, implementation, and practice at the state level:

1. *A rural constituency organization external to government, able to facilitate and maintain communication between diverse interest groups; coordinate private, public, and non-governmental organizations; and advocate for rural issues.* Where such an organization is a private, non-profit organization without domination by any political party, it functions effectively for a longer period of

time. Such organizations coordinate the activities of all of the other kinds of institutions described below. SRDCs associated with the National Rural Partnership program are effectively serving this function in many states.

2. *Active non-governmental organizations (NGOs) working on the problems of rural people.* Many NGOs working on behalf of rural people are more narrowly focused than the rural constituency organization described in 1. However, when such groups are provided with some coordination and assistance, they can become an important force on behalf of rural people and places.

3. *An organization with rural and community policy analysis capacity.* In many states, such an organization is associated with the land-grant university. In a few states, the major policy analysis capacity is in state government. In North Carolina, it is in a private, non-profit organization.

4. *A state-action agency with an explicit rural development mandate and capacity to carry out local action programs.* In some states, Cooperative Extension provides that function through field Extension agents. (Wisconsin has such agents in 65 of its 70 counties.) In other states, state agencies play that role. Virginia's Center on Rural Development (CORD) previously played that role using mini-grants to empower local self-help activities.

5. *Legislative or other rural power coalitions.* Such groups in state legislatures or major lobby groups like municipal or county associations are important in keeping rural policy issues on the policy agenda and in articulating political support for rural constituents.

6. *Private sector firms with rural interests willing to contribute to rural policy discussions and action.*

7. *An organization capable of and qualified to raise money from public, private, and philanthropic sources.* In many states, the rural constituency organization (1) also provides this function.

A single organization may perform several of these functions, or several organizations may join to perform a single function. For example, some states have a coordinating body for governmental organizations and another for private and non-profit organizations. In states where an active rural development program is focused at the local level, NGOs exhibit greater support and involvement, frequently collaborating in the action initiatives. Some state agencies, including Cooperative Extension, have explicit rural development responsibilities. Federal support to Cooperative Extension includes some limited funding explicitly for Community Resource Development, which is a federal extension mandate.

Whether any of the possible combinations of institutional arrangements are functionally better than any other combination cannot be known.

However, in the states where many different organizations are involved, rural areas seem to be stronger.

The table below summarizes the seven institutional dimensions for seven states for which we have detailed information. The activities described are separate from the actions and activities of temporary legislative commissions such as the Rural Virginia Prosperity Commission. The commissions in Virginia and elsewhere can create, empower, or build on the absence or presence of the other institutions involved in rural development on an on-going basis. Rural development policies, actions, and programs vary greatly across states as to how they are carried out. The apparent effectiveness of the programs also varies greatly. However, a central institution to plan, advocate, coordinate, and provide access to or include research capacity for rural economic development **and** a well-staffed educational and intervention action program appear to be necessary conditions for effective programs and improved economic performance in rural communities.

**Institutional Dimensions for Rural Development**

State	Constituency Organization	Active NGOs	Policy Analysis Capacity	RD Agency with Local Intervention Capacity	Rural Caucuses	Private Sector Actors	Fund raising Organization
Arkansas	No	Few	Some University capacity	State agency – limited capacity	No	Ag. business	No
Kentucky	No	Few	Some University capacity	Coop. Ext – limited capacity	?	?	?
Michigan	RDC	None	Some University capacity	Coop. Ext. – limited capacity	Several	Utilities	No
Missouri	RDC	Some	Good University capacity	Coop. Ext – capacity unknown	Several	Utilities	?
Nebraska	RDC and others	Several	Good University capacity	Coop. Ext – capacity unknown	?	?	?
North Carolina	RDC	RD Econ Center	Good Private/ non profit capacity	RD Econ Center – limited	?	?	?
Wisconsin	RDC	Several	Very good University capacity	Coop. Ext. – 65 staff in counties	?	Banks, ag. business, utilities, coops.	RDC

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