



Rural Virginia Prosperity Commission

Briefing Paper

October 30, 2000

Organizing Our Thinking About Virginia's Rural Communities

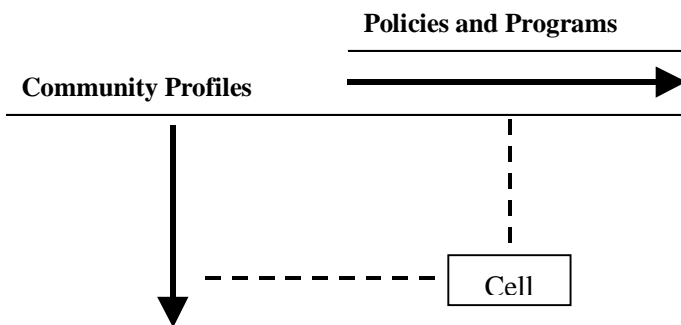
All communities, even small communities, are complex. But, behind that complexity, certain characteristics make each community unique. When facing economic problems, each community will react in ways consistent with those unique and often deeply imbedded community philosophies, beliefs, attitudes, and goals.

Depending on how rural is defined, the Commonwealth has 60 to 90 rural counties. This large number makes the tasks facing the Rural Virginia Prosperity Commission very tough indeed. The general charge to the Commission is to develop policies, programs, and any new institutions that might be needed to reverse the negative economic trends in rural communities throughout Virginia. If the approaches employed to address what appears to be a myriad of different problems are to be pragmatic, a framework to organize thinking about the communities, their particular problems, and early reflections on solutions would be helpful.

One approach is to think within the structure offered by a matrix with "Community Profiles" on one axis and an array of "Policies and Programs" on the other axis (Figure 1). A relatively small number of community profiles will capture and categorize the big differences across communities. Differences will occur in incomes, educational achievement, access to the internet, proximity to airports and interstate highways, ages of community residents, net changes in population, and job creation in the economic development districts, to mention just a few. The listing of policies and programs will include programs by the state to attract new companies, to help finance existing businesses that want to expand, and to assist in development of business plans via Virginia's Small Business Development Centers. Local and regional programs can be included, and policies, such as use-value taxation, which influence local financing capacity, can be incorporated into different policy/program packages.

Education will have to be included with a range of considerations from improved public schools to workforce enhancement in the high-tech job market of tomorrow. And private sector programs and initiatives by corporations, faith-based organizations, and others will be needed to bring broad participation and impact.

Figure 1. Matrix of Community Profiles and Policies and Programs



Time and effort are needed in completing the matrix, but the result will be worth the effort. A particular community profile can then be connected with the appropriate policy/program emphasis. In the matrix, the objective is to find the cell where the profile row and the policy/program column which appears to match community needs intersect.

Obviously, such a framework does not eliminate the need to think about the issues in an analytical fashion. If anything, this approach reinforces the need for analysis, inference, and synthesis. The thinking will have to start with efforts to identify key characteristics of the community, to uncover any obstacles to change, and to look behind the façade of complexity for conditions that appear to need only a catalyst to launch a pattern of progressive change. If we visualize a connecting cell and a match in the matrix, we have already started to establish a causal link between a community problem and a policy or program that can solve that problem. There is no substitute for searching for linkages, probing what appears

to be causal flows even when a time lag might be present, and synthesizing all the pieces into a potentially workable solution. The matrix concept helps bring order and logical flow to the process.

Aggregation and synthesis will always be necessary. The Commission cannot develop a different strategy for each county. The matrix framework facilitates the task of aggregating across several counties to a subset of counties. The particular characteristic in the community profile will identify which counties face a common problem. However, the counties with common problems and, perhaps, common needs, may not be located adjacent to each other. This lack of proximity may rule out the possibility of some regional approaches. And recognizing early that regional approaches that require close proximity may not work is important.

To illustrate the process, an important measure of economic well-being in rural counties is the level of per capita income. An initial aggregation could be the subset of counties in which per capita disposable income, after adjusting for inflation, trended lower during the 1990s. Having identified the counties and the communities in the counties, the next logical step is to probe into the why of the income declines. As the investigators considers the causes of the income decline, the need to re-divide the identified group of counties may appear. One subgroup of counties might be having problems because farm commodity prices are low leading to income changes not only for farmers but also for the agribusiness firms that provide farm inputs. A second subgroup of counties might be losing income because a number of residents are reaching retirement age, and retirement incomes are usually lower. Obviously, the policy/program needs to correct the problems will differ in the two sets of counties, and without a mechanism to identify these subtle differences, the Commission's work may be ineffective.

This approach also guards against the tendency to only think about multi-county solutions where a region made up of adjacent counties is involved. A rural county in the Central Piedmont may have a profile and a related set of needs similar to a rural county in the Southwest. **Failing to broaden "regional" to include a subset of counties with similar profiles, similar problems, and similar needs but located in different regions could be a serious mistake.** Duplication of programs and efforts in geographically separated counties could result, and the effectiveness of proposed solutions could be compromised.

As the Commission moves ahead, it may be useful to keep this framework and the related process in mind. Analysis and investigation start with data and information that build a profile for a county, independent city, or other jurisdiction. When that initial step is complete, the need for analytical thinking steps to the front. Causal links between community characteristic and the symptoms of stress such as declining incomes, high unemployment, population losses, or low levels of investment must be established by analysis and inference. These causal links will need to be eliminated or changed by policies and programs if progress is to be made in correcting the growing economic divergence between rural and urban areas of the Commonwealth.

The challenge is huge. The divergence between rural Virginia and urban Virginia is, in fact, growing. The need is to get back to a status of a "common wealth" where all are sharing. The matrix framework will not solve the problems. It will not do the hard work for the Commission members and the staff. But it can bring organization to efforts to get started in the right direction.

Prepared by Wayne Purcell
Staff contacts: Wayne Purcell (540) 231-7725;
purcell@vt.edu
Karen Mundy (540) 231-9443; karenm@vt.edu