

Crafting a Way Forward: The Rural / Urban Dynamic in Regional Competitiveness

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**Charles W. Fluharty, President
Rural Policy Research Institute
<http://www.rupri.org>**



Three Questions

- What are rural / urban “linkages”?
- What policies best exploit them to enhance overall regional competitiveness?
- What public investments offer the greatest potential to support these dynamics?

**Policies and budgets are ultimately
about visions and values.**

**So several questions should frame
our approach to these questions:**

- What are the principal policy goals of rural initiatives and programs?
- Who are the constituencies of each, how are they benefited by public investments, and do any of these benefits also accrue to urban constituencies?
- Why have these policies/programs historically been undervalued and underresourced, and seldom engaged by urban policy advocates?

So, what are these rural/urban “linkages”?

- Definitional determinism, “in the aggregate”
- The resultant, often misplaced, policy targeting
- An then, a priori, competing policy advocates
 - General policies
 - Sector-specific policies

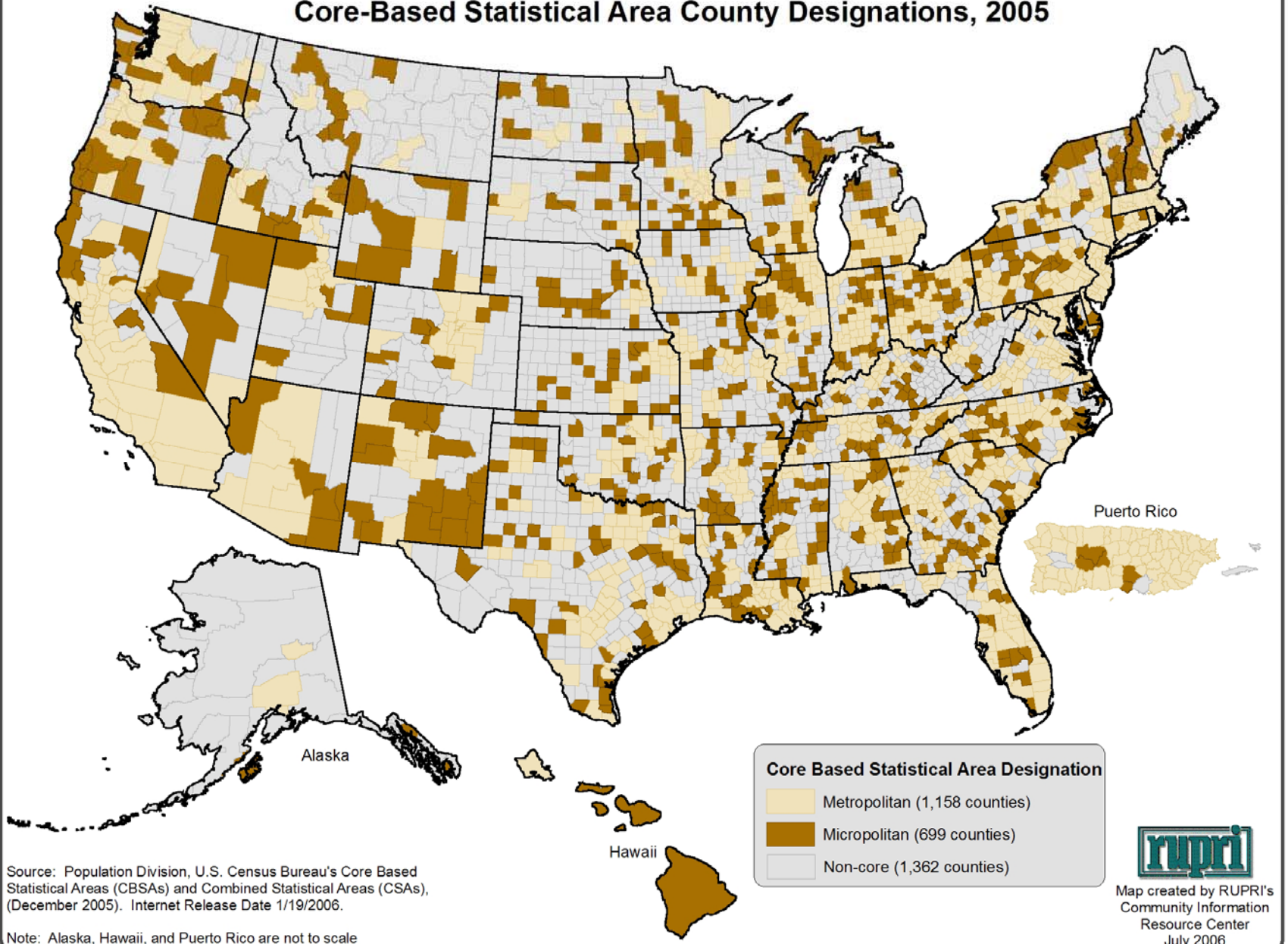
BUT the Majority of Rural People Live in Metropolitan Counties

| Type OMB | n | Population | Rural | Urban | Rural % |
|--------------|-------|-------------|------------|-------------|---------|
| Metropolitan | 1,089 | 232,579,940 | 30,190,101 | 202,389,839 | 13% |
| Micropolitan | 690 | 29,412,298 | 14,219,692 | 15,192,606 | 48% |
| Non-core | 1,362 | 19,429,668 | 14,651,574 | 4,778,094 | 75% |

Non-metro is not the same as rural



Core-Based Statistical Area County Designations, 2005



Source: Population Division, U.S. Census Bureau's Core Based Statistical Areas (CBSAs) and Combined Statistical Areas (CSAs), (December 2005). Internet Release Date 1/19/2006.

Note: Alaska, Hawaii, and Puerto Rico are not to scale

Core Based Statistical Area Designation

- Metropolitan (1,158 counties)
- Micropolitan (699 counties)
- Non-core (1,362 counties)



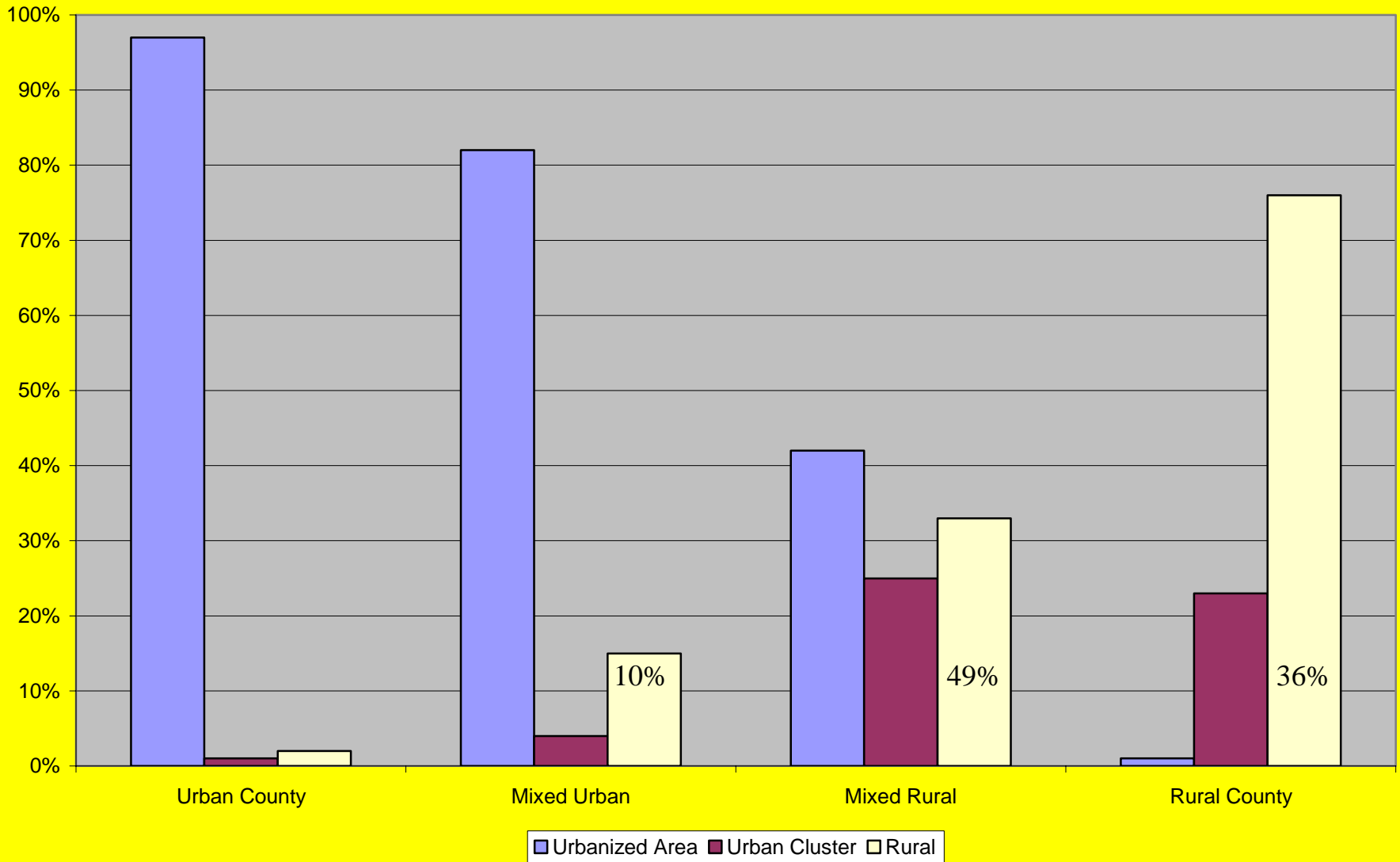
Map created by RUPRI's
Community Information
Resource Center
July 2006

A New County Classification

- Rural
 1. 90% of the county population in rural areas or no urban area with a population of 10,000 or more
 2. population density less than 500 people per square mile
- Urban
 1. 90% of the county population in urban areas
 2. 50,000 or more residents in an urbanized area or 90% of county population in an urbanized area
 3. population density at least 500 people per square mile
- Mixed Rural
 - Not urban, not rural, density less than 320 people per square mile
- Mixed Urban
 - Not urban, not rural, density greater than 320 people per square mile



Urban-Rural Population Composition



85% of Rural Folks in Rural or Mixed Rural Counties

| Type | Cos. | Population | P% | Rural Pop | R% | Density | Land% |
|-------------|------|-------------|-----|------------|-----|---------|-------|
| Urban | 171 | 125,926,501 | 45% | 3,000,617 | 5% | 1,560 | 2% |
| Mixed Urban | 158 | 41,106,320 | 15% | 6,117,981 | 10% | 446 | 3% |
| Mixed Rural | 1022 | 86,424,633 | 31% | 28,675,527 | 49% | 73 | 34% |
| Rural | 1790 | 27,964,452 | 10% | 21,267,242 | 36% | 13 | 62% |



Policy Implications—What is rural?

- Eligibility rules. Know that they are malleable.
 - the term “large urban area” means ... an urban area which ... has a population of more than 1,000,000 ... and the term “rural area” means any area outside such an area or similar area. (Social Security Act, payments to hospitals)
- Facts. Description of rural conditions is often based on statistics that miss half the rural population.
- Non-metropolitan is not the same as rural.



What's Your Policy-Purpose Rural?

Do you agree with the SSA?

| Size | Population | Area | Density | # of Areas | % US pop | % US land |
|-------------|-------------|-----------|---------|------------|----------|-----------|
| >mil | 119,097,094 | 34,649 | 3,437 | 38 | 42% | 1.0% |
| 500-1000k | 23,374,417 | 10,355 | 2,257 | 34 | 8% | 0.3% |
| 250-500k | 18,463,669 | 9,445 | 1,955 | 56 | 7% | 0.3% |
| 100-250k | 21,250,457 | 11,430 | 1,859 | 137 | 8% | 0.3% |
| 50-100k | 13,930,820 | 7,962 | 1,750 | 201 | 5% | 0.2% |
| 25-50k | 8,586,252 | 5,447 | 1,576 | 246 | 3% | 0.2% |
| 10-25k | 10,440,395 | 7,074 | 1,476 | 681 | 4% | 0.2% |
| <10k | 11,168,878 | 8,084 | 1,382 | 2,241 | 4% | 0.2% |
| Rural areas | 55,109,924 | 3,441,833 | 16 | -- | 20% | 97.3% |



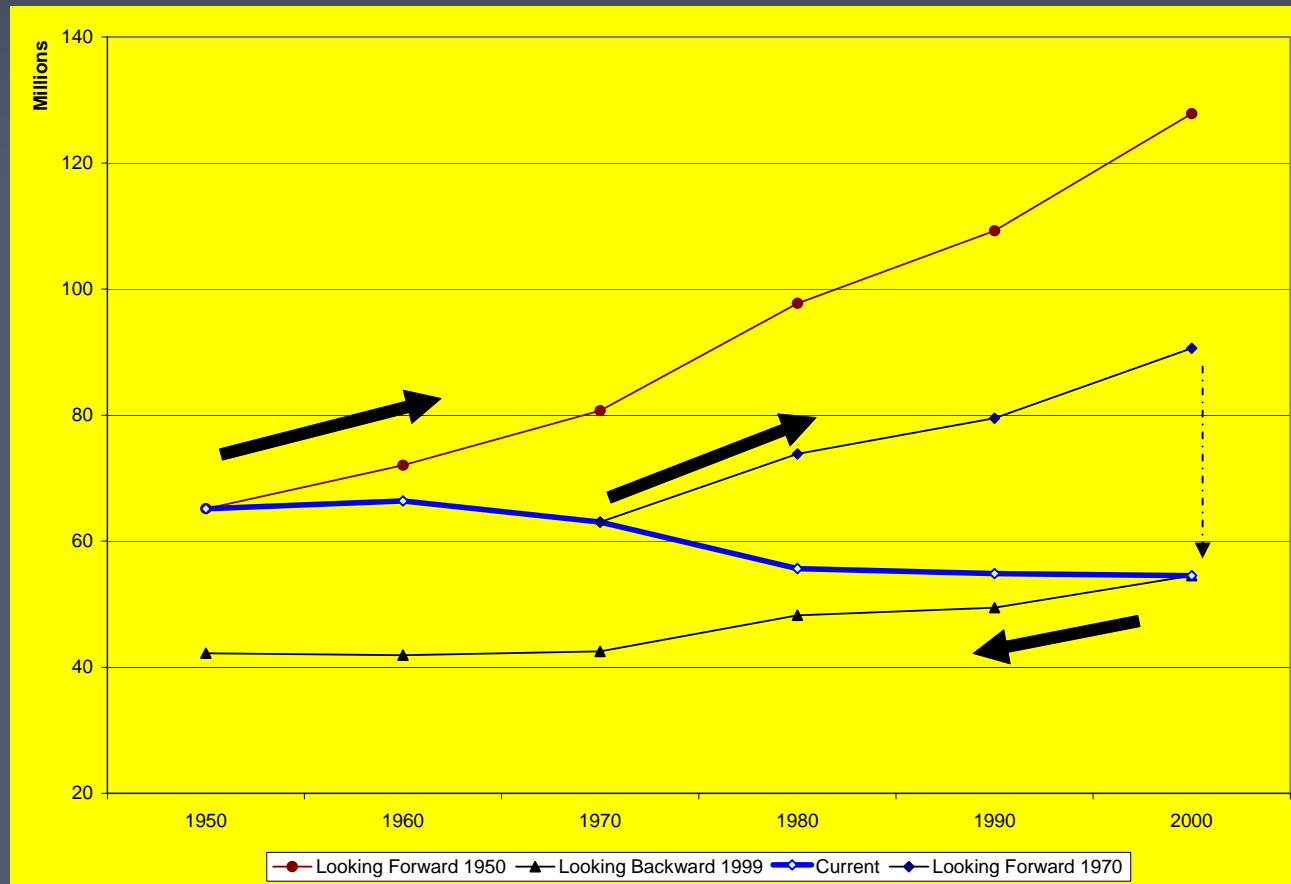
Almost Constant Decline in Non-Metro Population Since 1950



Professor Andrew Isserman
University of Illinois



Areas Reclassified From Non-metro to Metro Create Illusion of Overall Lag



Look Forward to Understand Your Market, Change 1970-2000

| | Current Views | Backward Views | Forward Views |
|-------------|---------------|----------------|---------------|
| Rural | -6% | 20% | 43% |
| Mixed Rural | 31% | 70% | 63% |
| Mixed Urban | 29% | 90% | 28% |
| Urban | 65% | 48% | 19% |



Professor Andrew Isserman
University of Illinois



Looking Forward Comprehensively

| Type70 | Type00 | n | 1970 | 2000 | Change | Ch% |
|-------------|-------------|------|------------|------------|------------|------|
| Rural | Rural | 1633 | 18,544,661 | 22,994,323 | 4,449,662 | 24% |
| Rural | Mixed Rural | 266 | 6,083,066 | 11,635,970 | 5,552,904 | 91% |
| Rural | Mixed Urban | 12 | 296,071 | 1,093,845 | 797,774 | 269% |
| Mixed Rural | Mixed Rural | 879 | 52,942,547 | 78,212,098 | 25,269,551 | 48% |
| Mixed Rural | Mixed Urban | 83 | 11,785,119 | 23,808,438 | 12,023,319 | 102% |
| Mixed Rural | Urban | 18 | 3,688,532 | 9,706,726 | 6,018,194 | 163% |
| Mixed Rural | Rural | 14 | 291,940 | 322,832 | 30,892 | 11% |
| Mixed Urban | Mixed Urban | 79 | 14,179,127 | 16,596,798 | 2,417,671 | 17% |
| Mixed Urban | Urban | 49 | 17,768,066 | 24,414,707 | 6,646,641 | 37% |
| Urban | Urban | 87 | 76,385,135 | 90,536,151 | 14,151,016 | 19% |



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University of Illinois



Beyond Aggregates—Rural Growth, Stability, and Decline, 2000-2005

| Character | OMB | n | n Decline | n Stable | n Grow | Change D | Change S | Change G |
|-------------|----------|------|-----------|----------|--------|----------|----------|-----------|
| Rural | Non-core | 1242 | 463 | 406 | 373 | -213,998 | 5,333 | 462,310 |
| Rural | Micro | 120 | 28 | 42 | 50 | -14,845 | -1,985 | 61,430 |
| Rural | Metro | 302 | 17 | 75 | 210 | -7,259 | 5,284 | 430,939 |
| Mixed Rural | Micro | 555 | 95 | 213 | 247 | -141,024 | 11,220 | 928,566 |
| Mixed Rural | Metro | 467 | 20 | 102 | 345 | -58,103 | 10,911 | 5,588,980 |
| Mixed Urban | Metro | 146 | 10 | 30 | 106 | -43,737 | 17,225 | 3,512,203 |
| Urban | Metro | 172 | 20 | 55 | 97 | -465,591 | 106,562 | 4,760,996 |



Professor Andrew Isserman
University of Illinois



Far More Rural People Live in Growing Counties, 2000-2005

| Character | OMB | n | Declining Counties | Stable Counties | Growing Counties | Ratio G to D |
|-------------|----------|------|--------------------|-----------------|------------------|--------------|
| Rural | Non-core | 1355 | 3,565,661 | 5,337,018 | 5,756,559 | 1.61 |
| Rural | Micro | 131 | 269,632 | 540,220 | 674,834 | 2.50 |
| Rural | Metro | 304 | 171,198 | 1,129,947 | 3,833,274 | 22.39 |
| Mixed Rural | Micro | 555 | 1,397,350 | 4,650,339 | 6,658,734 | 4.77 |
| Mixed Rural | Metro | 467 | 512,785 | 3,341,436 | 12,117,057 | 23.63 |
| Mixed Urban | Metro | 146 | 298,260 | 1,128,164 | 4,592,403 | 15.40 |
| Urban | Metro | 172 | 215,006 | 779,682 | 2,057,512 | 9.57 |
| | | | 6.4 million | 16.9 million | 35.7 million | |



What's the real rural story?

- Every U.S. rural county type has experienced population growth.
- The majority of rural people live in growing places.
- There are hundreds of growing, stable and declining rural counties
- A preponderance of policy concern over decline fails to address these dynamics.
- Decline, stability or growth each create policy relevant choices, many linked to urban considerations.

But also, rural/urban “linkages” include:

- Citizens, crossing these “boundaries” daily
 - Sharing real or imagined psychic history, heritage, culture
- The valuing of common assets
 - Concern for working landscapes, and safe, affordable food
 - Appreciation for a shared natural resource base, and the common “places” in regional space
- Commitment to common striving for competitive advantage in a global marketplace
- A growing awareness of the interdependence of rural and urban futures – that each will be increasingly advantaged by the unique assets of the other.

What policies best exploit these linkages to enhance overall regional competitiveness?

What is the way forward?

Five Critical Policy Challenges

- Rethinking core missions
- Redefining roles and responsibilities
- Creating a renaissanced leadership cadre
- Engaging and supporting the “border crossers!”
- Redefining “we” and “they,” with special attention to diversity

Several Policy Considerations:

1. Greater attention to asset-based development, much more broadly defined.
2. Regional frameworks, appropriately configured, of sufficient scale to leverage these geographies and bridge these constituencies. (While we need Rural and Urban Working Groups, their intersection is the future of enlightened public policy.)
3. As national governments' roles reduce over time, greater attention must be given to new governance / new intermediary support by the public sector.
4. Regional innovation policies should specifically target mutually beneficial competitive advantage which rural and urban areas share. (i.e., Regional food systems, bio-energy compacts, natural resource-based / sustainability assets, “workshed” / “watershed” approaches, etc.)

Several Policy Considerations (cont.):

5. The importance of working landscape policies:
 - Arts / heritage / culture
 - Natural resources / tourism
 - Bio-energy / biofuels, entrepreneurial agriculture
6. Incentives to bridge innovation / entrepreneurship support systems from urban to rural expression.
7. Opportunities to address spatial mismatch issues in workforce / training across broader geographies, via “place-based” community / technical college collaborations, both sister schools and research universities.
8. Innovative funding approaches which enhance collaboration across state and local governments, particularly in cross-sectoral, regional experimentation.

Two outstanding policy examples from the U.S.:

- The Indiana Model
- The Kerr Tarr Hub (North Carolina)



RISE
2020

RURAL INDIANA STRATEGY FOR EXCELLENCE

Regional Frameworks

Civic Leadership & Engagement

Asset-Based Community Development

Rural Innovation Culture
Public and Private Entrepreneurship

Youth Engagement

Wealth Creation and Retention

Diversity, Access and Inclusiveness

Rural Constituency, Voice and Policy Platforms

*In 2020, rural Indiana is our nation's most dynamic, globally-competitive countryside,
comprised of sustainable regions and communities,
in which all natural resources are responsibly stewarded,
and all place-based assets are fully enhanced and optimized.*

*This countryside is welcoming and inclusive, exhibiting an unparalleled rural quality of life,
where the integrity of rural communities is maintained,
new and different voices are acknowledged and heard,
human and social capital is inspired and enhanced,
and the heritage and history of Hoosier people and places,
united with the promises of new peoples and voices,
forge a shared future,
committed to by all,
especially the young,
and infused with a common understanding of the
interdependence of all Hoosiers—rural, urban and
suburban.*



What public investments offer the greatest potential to support these dynamics?

- Sector-level policies which reward rural/urban regional “joint working”:
 - Planning
 - Program delivery / integrated services
 - Evaluation
- Program criteria which advantage existing rural/urban, regional working in new or continuing grant applications.
- Technical assistance and analytic programs which increase the capacity for assessment of regional competitiveness and which incorporate rural and urban geographies.

Final Concerns

- Defining our “being, purpose and knowledge framework”
- Avoiding four devastating defaults:
 - Homogenization
 - Commoditization
 - Urbanization
 - Resignation



rural policy research institute

Rural Policy Research Institute

214 Middlebush Hall

Columbia, MO 65211

(573) 882-0316

Fax: (573) 884-5310

<http://www.rupri.org>

The Rural Policy Research Institute provides objective analysis and facilitates public dialogue concerning the impacts of public policy on rural people and places.

