Rethinking the Rural
Raison D’être: Beginning the New Narrative

Presented to the
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Cedar City, Utah
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President & CEO
Rural Policy Research Institute
Four Considerations

I. Recalibrating the rural/urban dialogue and paradigm

II. Who wins: the World Bank or the OECD?

III. Rural imperatives, given this clear regional dynamic

IV. Challenging the urban metaphor, in a disruptive milieu

V. Final reflections
I. Recalibrating the rural/urban dialogue and paradigm
Two major types of rural definitions

- U.S. Census Bureau
  - Urban and Rural Areas

- Office of Management and Budget
  - Core Based Statistical Areas – Metropolitan and Nonmetropolitan Areas
The U.S. Census Bureau defines urban areas:

- Core blocks and block groups with population density of 1,000 people per square mile.
- Surrounding blocks with overall density of 500 ppmi²
- Range in size from 2,500 people to nearly 2 million people.

Rural is everything that is not urban.

Based on the 2010 Decennial Census:

- 59 million people live in rural areas (19%)
- 249 million people live in urban areas (81%)
Census Defined Urban Areas
But all urban areas are not the same

New York-Newark
Population 1.8 million

Hermann, MO
Population 2,515
Pitfalls to using this definition

- These boundaries are only defined every 10 years.

- Urban area boundaries don’t align with boundaries of cities and towns.
  - There is no governmental jurisdiction over Census defined urban areas.

- Very limited sub-county data challenges more granular understanding, and resource targeting.
  - The most comprehensive data is at the county level.

- All would agree that some “urban” places are really much more rural in character.
Core Based Statistical Areas

- Defined by the Office of Management and Budget.
- Designed to be *functional regions* around urban centers.
- Classification is based on counties.
- Three classifications of counties:
  - Metropolitan, Micropolitan, Noncore
  - Based on size of urbanized area/urban cluster in central counties and commuting ties in outlying counties.
Core Based Statistical Areas

- Metropolitan
- Micropolitan
- Noncore
Usually, metropolitan is equated with urban and nonmetropolitan is equated with rural.

So, if metropolitan is urban, then...
This is urban:

Los Angeles, California
Population 1.2 million
And so is this:

Armstrong County, Texas
Population 2,071

Part of the Amarillo Texas Metropolitan Area
And if nonmetropolitan is rural, then...
This is rural:

Loving County, Texas
Population 55
And so is this:

Paducah, Kentucky
Population 48,035
Most Counties are Both Urban and Rural!

Coconino County, Arizona
Population 127,450
Flagstaff Metro Area
Most metropolitan areas contain rural territory and rural people.

In fact...

54% of all rural people live in metropolitan counties!
## Distribution of U.S. Population by Urban and Rural Areas, and Core Based Statistical Areas, 2010

<table>
<thead>
<tr>
<th></th>
<th>Urbanized Area</th>
<th>Urban Cluster</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan</td>
<td>219,677,256</td>
<td>10,766,879</td>
<td>32,007,997</td>
<td>262,452,132</td>
</tr>
<tr>
<td>Micropolitan</td>
<td>228,950</td>
<td>13,852,786</td>
<td>13,072,477</td>
<td>27,154,213</td>
</tr>
<tr>
<td>Noncore</td>
<td>15,917</td>
<td>4,711,483</td>
<td>14,411,793</td>
<td>19,139,193</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>219,922,123</strong></td>
<td><strong>29,331,148</strong></td>
<td><strong>59,492,267</strong></td>
<td><strong>308,745,538</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Urbanized Area</th>
<th>Urban Cluster</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan</td>
<td>99.9%</td>
<td>36.7%</td>
<td><strong>53.8%</strong></td>
<td>85.0%</td>
</tr>
<tr>
<td>Micropolitan</td>
<td>0.1%</td>
<td>47.2%</td>
<td>22.0%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Noncore</td>
<td>0.0%</td>
<td>16.1%</td>
<td>24.2%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>
II. Who Wins: The World Bank or the OECD?
## The OECD New Rural Paradigm (2006)

<table>
<thead>
<tr>
<th></th>
<th>Old Paradigm</th>
<th>New Paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td>Equalization. Focus on farm income</td>
<td><strong>Competitiveness</strong> of rural areas</td>
</tr>
<tr>
<td><strong>Key target sector</strong></td>
<td>Sector based</td>
<td><strong>Holistic</strong> approach to include various sectors of rural economies</td>
</tr>
<tr>
<td><strong>Main tools</strong></td>
<td>Subsidies</td>
<td>Investments</td>
</tr>
<tr>
<td><strong>Key actors</strong></td>
<td>National governments, farmers</td>
<td><strong>Multilevel-governance</strong></td>
</tr>
</tbody>
</table>

Guarantee an adequate attention to rural issues and empower local communities and governments.

Rural is not synonymous with agriculture. Rural is not synonymous with economic decline.
There is no single/unique path to growth...

No marked convergence or divergence profiles by type of region
Predominantly urban and rural regions, 1995-2007

Annual average growth rates 1995-2007

Initial per capita GDP in PPP

Predominantly Rural  Predominantly Urban
Concentration → high levels of GDP pc

GDP per capita

national GDP per capita

21%

79%
Only 45% of metro-regions grow faster than the national average. Metro-regions appear to have entered in a process of convergence.

...signs of inefficiencies appear in significant number of metro-regions...
Contributions to aggregate growth depend on few hub regions...

...the fat tail is equally important -- if not more -- to aggregate growth...
Contributions to growth OECD TL3 regions

27% of growth driven by 2.4% (or 20) regions...

...and 73% of growth by the remaining

\[ y = 0.5031x^{-1.201} \]
Lagging regions contribute to national growth

<table>
<thead>
<tr>
<th>Country</th>
<th>Lagging</th>
<th>Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>Austria</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>Canada</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>Finland</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>France</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>Germany</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>Greece</td>
<td>-16%</td>
<td>116%</td>
</tr>
<tr>
<td>Hungary</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>Italy</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>Japan</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>Korea</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>Mexico</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>Norway</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>Poland</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Portugal</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>Spain</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Sweden</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Turkey</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>United States</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>Average unweighted</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>Average weighted</td>
<td>44%</td>
<td>56%</td>
</tr>
</tbody>
</table>

In eight OECD countries lagging regions contributed more to national growth than leading regions.

Bottom line: support for lagging regions need not be merely a “social” policy. They contribute a large share of national growth.

Overall, they contributed to 44% of aggregate OECD growth in 1995-2007.
III. Rural Imperatives, Given This Clear Regional Dynamic
Policies and budgets are ultimately about visions and values.
“If you do the same things, over and over, you’ll probably get the same outcomes!”
The Critical Question:

“What policy framework will best integrate rural and urban initiatives and programs, to advantage both ag and non-ag rural constituencies, their communities and regions, and enhance their children’s potential to thrive there in the 21st century?”
The Framework for Regional Rural Innovation

- New Narratives & Networks
- Collaborative Leadership
- Knowledge Networks & Workforce
- Quality of Place
- Entrepreneur-ship & Innovation

Critical Internal Considerations
- Wealth Creation and Intergenerational Wealth Retention
- Youth Engagement and Retention
- Social Inclusion and Social Equity
What is Demanded?

1. Asset-based development
2. Regional frameworks
3. Support for New Intermediaries
4. Regional Innovation Policies Which Align Rural and Urban Interests
5. Attention to Working Landscapes


7. Addressing Spatial Mismatch in Key Sectoral Alignments

8. Innovative and Linked Investment Approaches Which Enhance Jurisdictional and Cross-Sectoral Collaboration
IV. Challenging the Urban Metaphor, in a Disruptive Milieu
Small States Find Outsize Clout Growing in Senate

By ADAM LIPTAK
RUTLAND, Vt. — In the four years after the financial crisis struck, a great wave of federal stimulus money washed over Rutland County. It helped pay for bridges, roads, preschool programs, a community health center, buses and fire trucks, water mains and tanks, even a project to make sure bats could still swim down the river while a bridge was being rebuilt.

Just down Route 4, at the New York border, the landscape abruptly turns from skeptical to scruffy. Washington County, N.Y., which is home to about 60,000 people — just as Rutland is — now only a quarter as much money.

DEMOCRAT TESTED
Unusual Representation

"We didn't receive a lot," said Peter Aust, the president of the local chamber of commerce on the New York side. "We never saw any of the positive impact of the stimulus funds."

Vermont's 630,000 residents have two United States senators, and so does New York's 19 million. That means that a Vermont bill has 30 times the voting power in the Senate of a New Yorker just over the state line — the biggest inequality between two adjacent states. The nation's largest gap, between Wyoming and California, is more than double that.

As North Korea Blusters, South Breaks Taboo With Nuclear Talk

By MARTIN FACKLER and JOE SANG-HUN
SEOUL, South Korea — As their country prospered, South Koreans long shrank from the idea, rejected by a small but vocal minority, of testing a bomb. Now, with North Korea's nuclear tests and missile launches, both sides are trying to explain the latest signs that South Koreans may be ready to consider the idea.

Opinion polls show that two-thirds of South Koreans support the idea, moreso by a small but growing margin than outright acceptance. And the culture of fear that once shrank opposition to the idea has been replaced by a sense that it may be too late.

CUTS GIVE OBAMA PATH TO CREATE LEANER MILITARY

By DAVID E. SANGER
WASHINGTON — As the $94 billion in mandatory budget cuts begin to arrive at the Pentagon, officials are looking at how to use the extra money to improve the military.

SOME PENTAGON BAC

Bases, Health Prog and Nuclear Arms Scrutiny

By DAVID E. SANGER
WASHINGTON — At a time when $94 billion in mandatory budget cuts are coming at the Pentagon, officials are looking at how to use the extra money to improve the military.
“All great truths begin as blasphemies.”

--George Bernard Shaw
Two “Visions,” Upon Which to Frame our Hope
THE END OF BIG

HOW THE INTERNET MAKES DAVID THE NEW GOliATH
**Ratings of Institutions**

**Question:** How much confidence do you have in each one — a great deal, quite a bit, some, very little, none at all?

*Percentage of people answering “a great deal” or “quite a bit”:*

<table>
<thead>
<tr>
<th>Institution</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military</td>
<td>76</td>
<td>67</td>
</tr>
<tr>
<td>Auto Industry</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Religious Leaders and Organizations</td>
<td>25</td>
<td>21</td>
</tr>
<tr>
<td>Federal Government</td>
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<tr>
<td>National News Media</td>
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<tr>
<td>Social Networks</td>
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<td>Large Corporations</td>
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<td>Financial Industry</td>
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<tr>
<td>Health Insurance Companies</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>IRS</td>
<td>Not polled</td>
<td>10</td>
</tr>
</tbody>
</table>
FATE OF THE STATES

THE NEW GEOGRAPHY OF AMERICAN PROSPERITY

MEREDITH WHITNEY
V. Final Reflections
“What lies behind us, and what lies before us are tiny matters compared to what lies within us.”

--Ralph Waldo Emerson