

Effective and Ethical Rural Development

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Addressing rural poverty, health, infrastructure and economic development has never been more pressing. Already lagging the nation after most places had recovered from the Great Recession, rural America is now facing significant threats on multiple fronts, from the coronavirus pandemic to the climate crisis. The current approach to federal rural economic policy is ill-equipped and under-resourced to effectively face challenges of this gravity. Rural investment policy is outdated and lacks an overarching structure and mission. The climate crisis and the coronavirus pandemic have exposed existing systemic failures and inequities—and imbue the task of rural investment with a new urgency. To build a prosperous future for all rural Americans, federal policymakers must construct an organized, cohesive rural development strategy that adapts to the modern realities of rural America while addressing its reliance on extractive industries and the history of structural racism. A successful strategy must account for the diversity of rural communities, plan for the climate crisis, address and dismantle structural racism, and engage directly with communities. In this chapter, we lay out the biggest challenges rural America faces and outline a recovery agenda that empowers communities to build brighter futures.

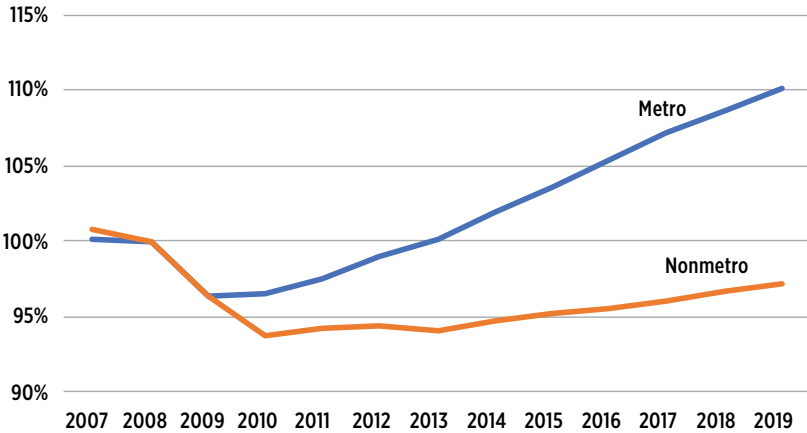
Rural Communities in Crisis

By some economic indicators, rural America never truly recovered from the Great Recession. While the country as a whole enjoyed a sustained recovery, rural counties saw nearly no employment growth between 2008 and 2019.¹ Even before the pandemic devastated the economy, the gap between the median income of rural families and urban families had been widening steadily over the past decade.² In 2018, 16.1% of rural Americans lived below the poverty line—a rate 3.5 percentage points higher than in urban areas.³

The economic circumstances of rural communities of color are even more dire. The likelihood that someone growing up in predominantly African American communities in the rural South will move from the

Figure 1: Employment Rates in Nonmetro Counties Have Not Recovered since the Great Recession

Average Change in Metro and Nonmetro County Employment Rates, 2007-19



SOURCE: USDA Economic Research Service, Atlas of Rural and Small-Town America.

25th percentile of household income to the top quintile is 5.7%, just over half of the rate for all rural community types.⁴ Native Americans and African Americans surveyed by National Public Radio, in partnership with the Robert Wood Johnson Foundation and Harvard’s T.H. Chan School of Public Health, rated their quality of life lower on average than rural Americans as a whole rated their experiences.⁵ Latinx, Native American and African American rural residents all have poverty rates at least 10 points above that of their white peers.⁶

Already mired in economic hardship, rural America was hit particularly hard by the pandemic. By late summer of 2020, both rural infection and death rates surpassed those in urban areas and continued to outpace them for the rest of the year.⁷ Existing disparities in access to health care—already a matter of life and death—were thrown into stark relief as rural hospitals quickly ran out of ICU beds, if they had any at all.⁸ The lack of accessible, affordable health care, coupled with high rates of uninsured citizens in rural America, is more than a public policy problem—it is a public health

crisis.⁹ The coronavirus risks are especially high for rural farmworkers and meatpacking workers, who have been deemed essential by state and federal policymakers, but who have not been afforded even basic safety measures.¹⁰

The coronavirus pandemic has called unprecedented attention to several structural shortcomings of our economy, from the lack of paid sick leave and affordable child care to racial disparities in the labor market. As policymakers reimagine the United States economy in a post-pandemic future, they should reexamine the current approach to rural economic development—a strategy that failed to bring the economic growth of the past decade to rural communities. Furthermore, a rural development paradigm for the 21st century must anticipate the threat posed by climate change to rural America, particularly communities of color, which have been subject to decades of environmental racism. The key to promoting equitable, sustainable and enduring economic growth in rural America is to partner with communities, giving them the resources and technical support they need to define their own futures.

Toward a Resilient Rural America

Tailored

Rural communities are significantly different from each other economically and demographically, demanding an economic agenda that recognizes this complexity and has an inclusive vision for progress. As it stands now, however, the structure of rural economic development policy takes a somewhat reductive view of rural America.

On paper, the U.S. Department of Agriculture (USDA) is the lead agency on rural development, in charge of coordinating efforts across agencies and administering a large portfolio of programs. Rural Development is just one of eight mission areas—the others devoted primarily to agriculture, natural resources and conservation, and food safety and production. The marriage between the USDA and rural policy is intuitive. However, though historically the economy of rural America has generally been centered around agriculture, just 1 in 5 rural counties today is defined as “agriculture dependent” by the USDA. In fact, rural job markets closely resemble urban ones in terms of industrial makeup.¹¹ While 20% of rural counties are farming-dependent,

30% of rural counties have diversified economies, not reliant on any one industry for a large portion of employment.¹²

A modern rural policy paradigm should recognize the importance of all economic sectors as potential engines of economic growth for rural areas by expanding the nonagricultural programs at the USDA, and collaborating closely with programs at other federal agencies to adopt a holistic approach to economic opportunity. The USDA should begin by formulating a strategic plan that identifies the modern needs of rural communities, establishes priorities in accordance with them and sets measurable goals. Congress must, in turn, ensure that USDA Rural Development is fully resourced, so it can expand its services and meet its objectives.

Lastly, an inclusive economic recovery requires that rural issues be elevated within the White House and every major agency. Each should have at least one expert stakeholder to represent rural areas and coordinate policy with the USDA. In the absence of expertise on rural issues, agencies and other federal policymaking bodies risk missing opportunities to solve problems, or worse—leave communities behind.

Resilient

Rural America has just as much at stake in the battle with climate change as do urban communities. The climate crisis poses a serious threat to all communities but has grave consequences for those that rely on agriculture or outdoor recreation and tourism to drive their economies. But through innovative technologies and thoughtful transition policies, rural communities can lead the nation in the climate battle and benefit economically from doing so. In addition to their abundant agricultural land and natural resources, their contribution to the climate fight can stretch far beyond those assets. Rural communities have an opportunity to create entirely new revenue streams and diversify their economies by investing in clean energy, conservation and carbon sequestration, in addition to outdoor recreation and natural resources.

A meaningful rural agenda must account for the threats posed by the coming climate crisis. This requires regulatory actions to curb greenhouse gas emissions and strengthen institutions, as well as federal investment in sustainable economic activity and climate-resilient infrastructure. Because

of environmental racism—a form of systemic racism whereby policy shifts environmental hazards onto communities of color—Black and Brown rural communities will be among the hardest hit by the climate crisis. In addition to remedying decades of environmental harms to rural communities of color, policymakers must ensure that these same communities are prioritized for climate-smart investments. For example, federal regulators should update the Community Reinvestment Act by incorporating green investment requirements to increase the supply of capital to climate-conscious economic development in communities suffering because of environmental racism.¹³

In addition to being essential to the survival of rural places, investing in sustainable industry and curbing greenhouse gas emissions can drive true economic prosperity for communities that make the transition to a sustainable economy. A report by the Center for American Progress found that a plan to conserve natural land, invest in renewable energy, and promote soil conservation and carbon capture could bring \$8 billion in annual economic growth to rural communities.¹⁴ Some places have already recognized the opportunities presented by the transition to a green economy. Take the example of the North Fork Valley in Colorado. A former coal-mining community, the area has found new life as the home to Solar Energy International, which trains solar technicians, in addition to operating a pilot program for methane capture at the valley's abandoned mines.¹⁵

Thus, climate change poses an existential threat to rural communities but also contains promising opportunities for economic growth. A modernized approach to rural development must integrate climate action into its strategy to be effective and meaningful.

Inclusive

Perhaps nowhere else in the country does structural racism cut as deep as it does in rural communities. The popular depiction of rural communities as universally white obscures the racial inequality that pervades the rural economy. For example, as the pandemic began to shift from cities into more sparsely populated areas in the summer of 2020, coronavirus deaths were highest in rural Native American, Hispanic and Black communities.¹⁶ Despite the vulnerability of farmworkers and meatpacking workers, who

are overwhelmingly Latinx and keep food on our tables, warnings about the safety of these workers went largely unheeded.¹⁷ The struggles of rural communities of color during the pandemic reflect a long history of structural racism that has manifested itself in a variety of ways. For example, the New Deal programs and USDA practices throughout the 20th century systematically dispossessed Black Americans and Native Americans of their land by excluding them from federal farm relief. Similarly, coverage of federal labor laws, though expanded throughout the years, still leaves rural workers of color—namely farmworkers—unprotected.¹⁸ The lack of intentional policy to address and account for racial equity throughout the USDA and federal policy broadly has allowed these inequities to persist over time.

One particularly egregious example is the differential treatment and level of service that Black farmers have historically received from the USDA. Despite decades of documented discrimination against Black farmers, the USDA has not to date demonstrated a meaningful commitment to address these harms and reform its practices. Just a year after a 1982 Civil Rights Commission report concluded that the USDA was “a catalyst in the decline of the black farmer,” the Reagan administration completely eliminated the Office of Civil Rights at the Department of Agriculture.¹⁹ Its modern iteration, the Office of the Assistant Secretary for Civil Rights (OASCR), at the USDA has been the center of numerous controversies since its inception in 2002. The office has been roundly criticized for its unreliable data collection and opaque, backlogged complaint system.²⁰ The failure to address this form of structural racism is emblematic of the need for rural policy to incorporate racial equity into every aspect of its strategy.

Rural Development should imbue its mission with a racial equity lens and must conduct comprehensive analyses of its policies to ensure that they have equitable results. Having racial justice built into the mission of Rural Development, and USDA as a whole, would help ensure that it will not continue to repeat the sins of the past.

Collaborative

The current approach to rural development is defined by narrowly designed grants and loans with prescriptive requirements, resulting in a strategy that ultimately functions from the top down. Many programs take the form of competitive awards to fill specific needs in communities.

Unfortunately, some of the communities that most desperately need investment face insurmountable barriers to applying. For example, matching-fund requirements disqualify communities that are not able to raise sufficient capital from other sources. On a more fundamental level, many places lack the technical expertise necessary to identify federal funding opportunities, apply for them and meet the reporting requirements. This mode of federal investment shifts much of the programmatic burden onto rural communities, leaving many communities out. Thus, the federal government has room to grow in its role of building community capacity. This means providing support and resources for communities in grant-making, planning and other activities that will increase their capacity to take advantage of the many programs in Rural Development.

We propose a more collaborative approach to rural development that enables communities to leverage their unique assets and solve local problems using the knowledge they have of their towns. One of the most radical ways to practice this ideal is through a participatory grant program. This program, which the Center for American Progress outlines in its report “The Path to Rural Resilience in America,” would provide every rural community with a consistent amount of funds via block grant and would set up a formal process for community members to determine how to invest it.²¹ The grant would be a significant annual sum disbursed over several years to establish a program or initiative that serves the community, with the goal that the program would become self-sustaining at the end of the term. With technical assistance and the expertise and analysis of USDA staff, communities will be able to discuss and vote on collaboratively designed proposals that could fill any number of local needs, from workforce training to broadband access.

Some communities have already demonstrated the power of participatory spending. Durham, North Carolina, a midsized city in the Piedmont region, has allocated \$800,000 to each of its three wards to invest in local projects such as art installations and bus stop improvements, as well as to fund community services such as mental health care.²² The power of local engagement cannot be understated. In North Fork Valley, Colorado, the three towns in the area banded together to build consensus on a shared future. With input from 1,300 residents, local leaders coalesced around a shared “Vision 2020” that prioritized sustainability and the preservation of their natural lands as

guiding objectives. This community is now renowned for being home to one of the leading solar panel technical schools and a thriving tourism sector.²³

More generally, rural communities would benefit greatly from the establishment of additional USDA field offices that can serve as important resource centers for nonprofits and small businesses that wish to avail themselves of federal programs for the benefit of their communities. While there are field offices staffed with loan officers and other technical staff, these additional offices will have staff with expertise in capacity-building and would assist communities that have not previously received loans or grants from Rural Development. Any qualifying local government, nonprofit or small business should have the ability to connect with a local USDA office to explore funding opportunities and receive technical assistance for applying for and complying with them.

Adopting a partnership approach to rural development opens the door to innovation and lasting change sustained by an engaged community.

Conclusion

Rural America is in urgent need of sustained investment and support from federal policymakers as it faces a deadly pandemic, economic devastation and the imminent threat of the climate crisis. These grave threats require policymakers to rethink their approach to rural investment. We propose redesigning rural development policy by loosening its historical ties with agriculture to reflect the modern rural economy; investing in green and climate-resilient projects to realize opportunities for economic growth; providing accountability for the structural racism present within institutions; and adopting a partnership approach to funding local development projects. With a meaningful commitment from federal policymakers and a willingness to reexamine previous practices, rural America can realize a bright future.

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Endnotes

- ¹ See Ajilore and Willingham, Oct. 21, 2019.
- ² See Willingham.
- ³ See Cromartie et al.
- ⁴ See Ajilore and Willingham, Sept. 21, 2020.
- ⁵ See Ajilore and Willingham, July 17, 2019.
- ⁶ See USDA, 2020.
- ⁷ See Dobis and McGranahan.
- ⁸ *Ibid.*; see also Ajilore and Willingham, March 5, 2020.
- ⁹ See Ajilore.
- ¹⁰ See Douglas.
- ¹¹ See Ajilore and Willingham, Sept. 21, 2020.
- ¹² Authors' calculations using data from the USDA *Atlas of Rural and Small-Town America*.
- ¹³ See Zonta and Willingham.

¹⁴ See Bhattacharyya et al.

¹⁵ See Rowland-Shea.

¹⁶ See Ajilore.

¹⁷ See Willingham and Mathema.

¹⁸ See Ajilore and Willingham, Sept. 21, 2020.

¹⁹ See “Pigford Settlement.”

²⁰ See U.S. Government Accountability Office, and Rosenberg and Stucki.

²¹ See Ajilore and Willingham, Sept. 21, 2020.

²² See Durham Participatory Budgeting website and “PB Durham Cycle 1 Project Implementation.”

²³ See Rowland-Shea.

