DOCUMENT RESUME

ED 304 247 RC 016 949

AUTHOR Jahr, Dale
TITLE The Rural Political Economy: Change & Challenge.
INSTITUTION Joint Economic Committee, Washington, D.C.
PUB DATE Sep 88
NOTE 30p.
PUB TYPE Viewpoints (120) -- Reports - Evaluative/Feasibility (142)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Agriculture; Civil Liberties; *Economic Change; Economic Research; Federal Aid; Federal Legislation; Federal Programs; *Government Role; *Legislators; *Policy Formation; Public Policy; Rural Areas; *Rural Economics
IDENTIFIERS *Congress

ABSTRACT

This study describes the political environment that confronts rural advocates, and identifies the boundaries within which rural policy can be developed, promoted, and adopted with some degree of success. Congress designs and implements national policy; therefore, its composition affects advancements in rural policy. Rural residents comprise 24% of the U.S. population, but are "under-represented" in the House of Representatives. Rural districts number 88, or 20%, indicating that geographic representation is not uniform. In terms of seniority and leadership, rural Representatives lag behind their urban colleagues, occupying less than 17% of key leadership positions. Senators represent rural interests by a greater proportion due to the design of the Senate. The Congressional Joint Economic Committee outlined principles of rural policy as a foundation on which successful rural programs could be based. It identified features unique to rural America; stressed the importance of national awareness; underscored the need for access to technology, information, public facilities and services; recognized the urgency of private sector initiative and teamwork among all participants; and showed rural America to be a part of and affected by the U.S. and world economy. The Committee drafted a "Rural Rights Act" emphasizing that people cannot be discriminated against on the basis of geographic location. This report calls for a rural coalition with members from local, county, and state governments; the private sector; and civic, social, religious, and professional organizations to advance the cause for rural America. Nine references are included. (KS)

THE RURAL POLITICAL ECONOMY

Change & Challenge

by

DALE JAHR
Economist
Republican Staff
Joint Economic Committee
United States Congress

September 1988

Contents

Introduction

This study focuses on three topics of importance to rural political economy, all dealing with change and its challenges. The first discusses the urban and rural characteristics of the U.S. Congress. Since the Congress is responsible for designing and implementing national policy, rural advocates can better understand its actions by understanding how "rural" fits into the political equation.

Next, rural policy is examined within the context of national policy trends. Rural America is not likely to receive treatment different from or better than any other legislative proposal. The third issue is one too-often overlooked by rural proponents: devising a strategy to place rural issues on the political agenda of the Congress.

The future portends vast social, economic, and political changes for rural America. The purpose of this study is to describe the political environment which confronts rural advocates, and to identify the boundaries within which rural policy can be developed, promoted, and adopted with some degree of success.

I

RURAL AMERICA IN TRANSITION

That rural America is undergoing social and economic change is nothing new. U.S. history documents centuries of change -- advancement -- in the rural way of life. The course of change is an evolutionary process, as people respond to the opportunities and realities of their environment.

The 1970s and '80s show three important developments in "rural evolution." First, technology is radically altering how all Americans work and live. The speed at which technical advance is applied is accelerating, thereby quickening the pace of social and economic change. The adaptation and benefits of technology are not automatically distributed uniformly by some geographic standard (nor by social or other arbitrary standards either, for that matter), implying rural America must pursue its own course as seen fit. Although technical advances often translate into expensive specialization and concentration in the workplace, rural America potentially is a prime beneficiary of the "information age" breakthroughs. The mass-use of computers and telecommunications collapses geographic barriers and links rural America anywhere in an instant.

Second, rural America is increasingly affected by events outside its borders and outside the direct control of its residents. Rural America traditionally has been insulated from factors influencing the U.S. economy, such as shifts in the business cycle, interest rates and credit availability, unemployment, and the like. Today, the rural economy is affected by the performance of the macroeconomy. More importantly, the United States today is an internationalized economy -- the principal player in an expanding global arena. In this setting, rural Americans are competing with foreign and domestic concerns alike, as well as benefiting from access to more markets.

Simultaneously, rural America is coping with an economic identity crisis. Agriculture and natural resources -- industries considered synonymous with the word "rural" -- are declining relative to total U.S. gross national product. Discovering an augmented role and purpose for the rural economy is a formidable task confronting rural advocates.

Third, at a time when rural America's political prominence is waning, the nature and scope of public policy is changing. Severe constraints now limit Federal sector initiative: seemingly intractable budget deficits, the preeminence of entitlement programs, and the natural tendency to preserve status quo priorities all have contributed to the adoption of few new programs -- urban or rural -- in the 1980s.

As competition for Federal funding has intensified, rural numbers have diminished relative to the U.S. total. Minuscule as that may seem, population shifts from country to city and from one State to another have a direct bearing on Congressional representation. The rural voice is also determined by political means -- Congressional district borders are redrawn by State political officials after each decennial census. Many factors influence the placement of these boundaries, and geographic proximity or a balanced consideration of urban and rural interests are not likely to be top priorities.

Federal programs, of course, do not implicitly guarantee success. Many programs have fallen short of well-intentioned goals, or have been successful only at tremendous cost to taxpayers and opportunity costs to society. Since the New Deal days, the Federal Government has expanded its role in the affairs of States, communities and individuals. This activism has led to a centralization of administration, a standardization of programming, a concentration of resources, a loss of oversight and accountability, and, regrettably, a lack of relevance all-too-often at the applied level. The interests of rural America, as diverse as they are decentralized, are not necessarily given utmost consideration by the Federal bureaucracy. Furthermore, rural America is largely misunderstood by policymakers unfamiliar with the heartland.

In the 1980s, States have been given more freedom and responsibility under the New Federalism approach of the Reagan Administration. The result has been innovation and application of new economic development ideas unimagined by Federal planners. This spawning of ingenuity has established programs pertinent to State and local goals and potential, increased accountability of efforts and investment, and activated grassroots involvement -- all essential ingredients for success. The debate over which level of government can govern best is not at issue, but the departure from reliance on central government has invigorated creative approaches to public policy and has reemphasized local and State responsibility in the public sector.

Certainly, States cannot perform all public functions. The Federal sector plays an indispensable role in policy formation and execution. Economic issues such as interstate commerce, regulation, industry standards of safety and environmental protection, intervention in market failure, and the provision of public goods are examples where the Federal level demonstrates advantages. The importance of U.S. world leadership and the globalization of the U.S. economy also shows the need for a strong Federal Government. These broad issues have as significant an effect on rural America as they do to the Nation.

The Federal Government also serves a crucial role as defender of freedom, liberty, and justice. Tremendous socioeconomic gains have been achieved over time, promoting the extension of human rights and economic opportunity to all. However, have the inaliable rights of rural Americans been protected? Are Federal programs equitably disbursed on

the basis of need regardless of location? For that matter, are rural Americans even represented in the Congress in their due proportion? Accusatory and reactionary as these questions may appear, protecting citizens disadvantaged on the basis of *geography* can be a legitimate claim deserving rectification by government action.

The urban-rural rivalry in the Congress is timeless. Indeed, Congressmen are charged with attaining their constituents' "fair share" of Federal funding. The distribution of the Federal highway trust fund appropriations is a classic example of the battle for funding. Urban proponents complain that their State or district receives only some fraction of every dollar contributed to the fund and that they deserve greater compensation. Rural proponents are quick to point out that the lion's share of Federal highway miles are in rural areas, and that they receive only a fraction of total highway funding; therefore, the rural share of highway funding should be increased. This kind of fiscal competition keeps government honest, assuming all the players are represented fairly and abide by the same rules.

Understanding the composition and characteristics of the Congress can assist rural advocates in their policy quest. However, establishing a rural policy agenda for the 1990s is only a job half-done. A political strategy to advance, defend and accomplish it is also necessary.

II

RURAL AMERICA & THE POLITICAL SETTING

Federal policymaking is not an organized, logical exercise where issues are decided solely on the basis of merit. It is a political process where programs are created and funding is allocated through leadership, persuasion, and consensus. The legislative agenda is an arbitrary, prioritized schedule of political, social, and economic objectives sought by the leaders of the House of Representatives and the Senate.

In recent years, the political arena has not given its undivided attention to rural issues, except for enacting a costly farm program. After several years of quiet activity on rural economic issues, some progress has been made since 1986. But while rural interests have been advanced effectively, the political ante and stakes were also raised by a hefty amount. Many Federal programs are vulnerable to cutbacks or elimination. New programs being considered by the Congress are painstakingly scrutinized for their fiscal impact. In short, then, the advocates for rural policy action may have succeeded in advancing several rungs up the policy ladder, but the ladder got much longer simultaneously.

Rural issues have lost prominence for many reasons. The most obvious is the diminishing percentage of Americans residing in rural areas. In 1918, rural America accounted for one-half of all residents. Sixty years later, only one-fourth of the population was rural. Congressional apportionment among States has shifted according to population dictates, resulting in further concentration of representation in high-population areas.

The rural voice has diminished also due to the makeup and tactics of voter activists. The rise of special interest groups and other issue-specific coalitions has divided constituencies across geographic lines, making rural distinctions less relevant in the political sphere. As an example, the elderly have amassed tremendous visibility and political clout in recent years, and Congress has responded generously to their interests. However, the unique concerns of the rural elderly are secondary to the concerns of the coalition at large.

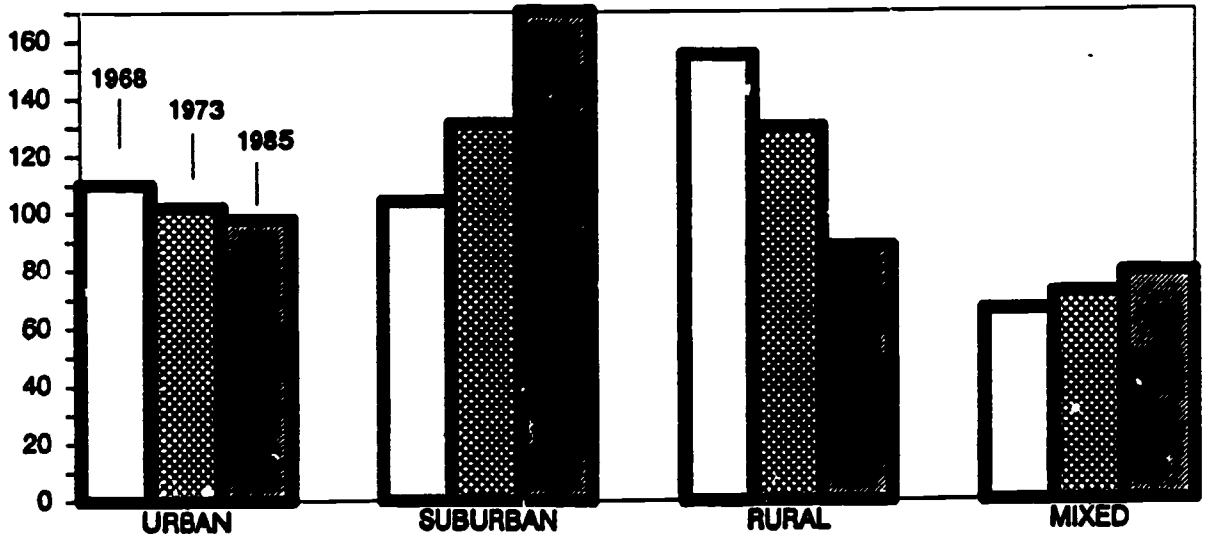
The division of constituencies by issues has resulted in an emphasis of political analysis from that perspective. While this approach is reasonable and constructive, it should not replace other legitimate points of view. Rural policy advocates could elevate their interests by presenting resourceful, comprehensive studies based on a geographic or population standpoint. A purely rural perspective of public policy and politics is overdue.

Rural Characteristics of the U.S. House of Representatives

Given the way the U.S. population is growing, it is only natural that the U.S. House of Representatives is becoming less rural. Over the past several years, this trend has accelerated. As shown in Chart II.1, rural districts were dominant in 1968, far outnumbering urban and suburban districts. That distinction changed, however, with the expansion of suburbs throughout the United States. In 1973, the number of rural and suburban districts was almost the same. Since then, rural districts vanished at about the same rate that suburban districts were formed, resulting in rural districts being at a two-to-one disadvantage by 1985.

The data presented here were outlined in an issue brief prepared by the Congressional Research Service (Huckabee, 1985). Congressional districts can be categorized as follows: "Urban" districts are those with 50 percent or more of their population residing in central

Chart II.1
DISTRIBUTION OF CONGRESSIONAL DISTRICTS BY POPULATION CHARACTERISTICS 1968-1985

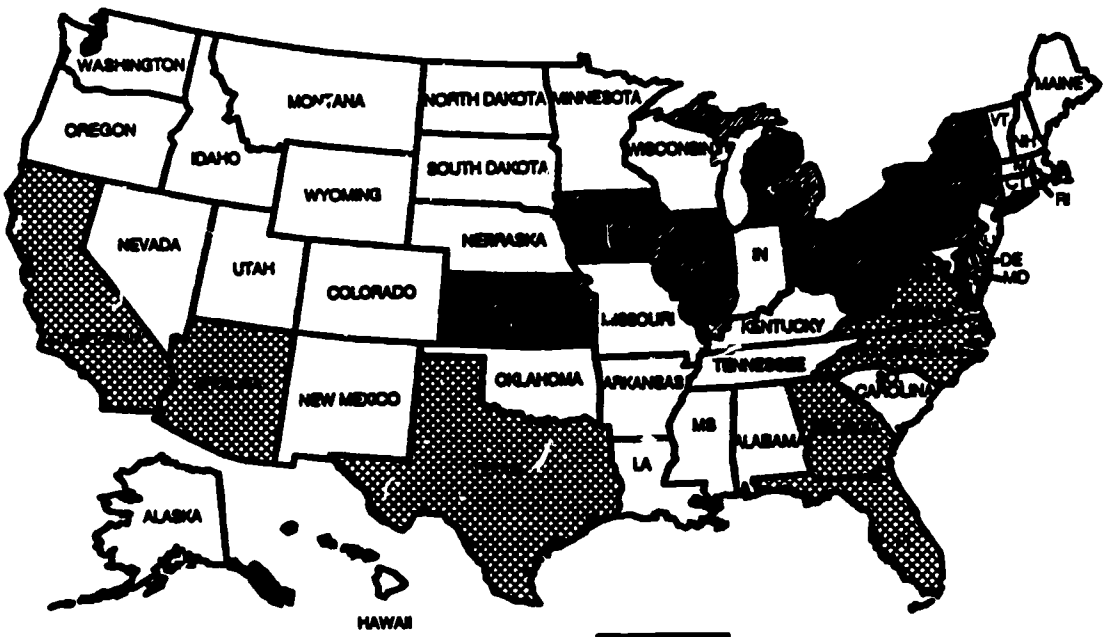


				Percent Change	
	1968	1973	1985	1968-73	1973-85
Urban Districts	110	102	98	-7.3%	-3.9%
Suburban Districts	104	131	170	26.0	29.8
Mixed Districts	66	72	79	9.1	9.7
Rural Districts	155	130	88	-16.1	-32.3

SOURCE: Congressional Research Service

cities of metropolitan areas. "Suburban" districts have half or more of the population residing outside central cities but within metropolitan areas. A "mixed" district cannot be clearly classified as urban or suburban. "Rural" districts are those where half or more of the population resides outside metropolitan areas (synonymous with "nonmetropolitan").

Chart II.2
ESTIMATED SHIFTS IN CONGRESSIONAL APPORTIONMENT AFTER 1990



States Gaining Representation		States Losing Representation	
California	+4	New York	-3
Texas	+3	Pennsylvania	-2
Florida	+3	Illinois	-2
Georgia	+1	Michigan	-2
Arizona	+1	Ohio	-2
North Carolina	+1	Iowa	-1
Virginia	+1	Kansas	-1
		West Virginia	-1

SOURCE: Congressional Research Service

Another Congressional Research Service study (Huckabee, 1987) suggests that the trend toward more metropolitan districts will continue after 1990. Based on various population projections, from 13 to 19 seats will be reapportioned to states with high population growth. That growth is occurring mostly in and around metropolitan areas. States losing seats will redraw district lines to adjust for the loss. In most instances, suburban areas will not be affected by the loss of seats; central cities and rural areas will see their boundaries expand. Chart II.2 illustrates apportionment based on a 1987 CRS analysis. With 14 seats shifting, it shows California, Texas, Florida, Georgia, Arizona, North Carolina and Virginia gaining seats. Losing representation would be New York, Pennsylvania, Illinois, Michigan, Ohio, Iowa, Kansas, and West Virginia.

A State need not lose a seat in order to lose a "rural seat." Population shifts within a State can cause district boundaries to change. Also, an increase in population density in a district can change its classification to "mixed" or "suburban" without altering its boundaries. District boundaries are not based solely on population or geographic considerations, either. State Legislatures determine the ultimate shape of a district. Known as gerrymandering, the political design of Congressional district boundaries is a practice under constant criticism and the courts may intervene in the practice. If the judicial system determines gerrymandering to be an abusive power, the impact on rural representation could be profound. Congressional districts that were based more on geographic proximity may give rural and urban residents a greater sense of common interests.

NUMBERS AREN'T EVERYTHING

If declining numbers of Rural representatives is regrettable, another aspect of the political arena reveals yet another obstacle for rural interests: seniority reigns supreme. Congressional leadership is based on seniority, and rural Members lag behind in seniority as well as numbers. According to Chart II.3, rural district Representatives on average are almost two years junior to those serving urban districts. Slight as that disparity may seem,

Chart II.3
AVERAGE NUMBER OF TERMS
U.S. House of Representatives, 100th Congress

District	All Members	Republicans	Democrats
All Districts	5.6	4.8	6.1
Metropolitan	5.7	5.0	6.2
Nonmetropolitan	5.3	4.7	5.7
Urban	6.3	3.8	6.8
Suburban	5.4	4.9	6.0
Mixed	5.4	5.4	5.5
Rural	5.3	4.7	5.7

NOTE: Congressional terms are two years in duration.
SOURCE: Congressional Directory and author's calculation.

it can spell the difference between controlling a Committee or Subcommittee chairmanship or not having that power. And chairmen set the agenda, call the shots, and strike the deals that result in policymaking.

While averages are helpful indicators, the critical issue at stake is how many rural Representatives are in or near top leadership positions. Rural interests do not fare well on that score. Of the House's most senior 10 percent (44 Members who have served 12 or more terms), only 6 serve rural districts. By contrast, the least senior decile (46 one-term Representatives) have 17 from rural areas.

Chart II.4
DISTRIBUTION OF HOUSE LEADERSHIP POSITIONS
By Type Of Congressional District, 100th Congress

Type of District	Committee & Subcommittee Chairmanships	Percent of Chairmanships Listed	Number of Congressional Districts	Percent of All Districts
Urban	49	32.9%	98	22.5%
Suburban	56	37.6	170	39.1
Mixed	19	12.8	79	18.2
Rural	25	16.8	88	20.2
	149	100.-	435	100.0

NOTE: Table includes 20 of 22 standing committees and their subcommittees, except those chaired by Delegates.
Percentages may not add to 100 due to rounding.
SOURCE: Congressional Directory and author's calculation.

A compilation of the chairmen of 20 of the 22 standing committees (omitting the House Administration and District of Columbia Committees) and their subcommittees was prepared to determine leadership by type of district. Subcommittees chaired by Delegates were not included. The findings appear in Chart II.4. As the table shows, Representatives of urban districts control a large number of chairs relative to their numbers in the House. Suburban districts control a plurality of leadership positions close to their percentage of seats in the House. Rural districts fare unfavorably, controlling under 17 percent of the chairmanships, a smaller percentage than their share of seats in the House.

With so few rural proponents in leadership positions, rural issues are not as likely to be given full consideration. Legislation is dealt with in a political fashion, meaning more is at stake than forging public policy on the basis of merit and consensus. Political control of the legislative agenda translates into deliberate actions to favor certain constituencies and thereby endeavor to garner and guarantee future votes in elections. This is not meant as an incrimination or judgment; the very nature of our political system results in institutional behavior that serves the interests of the legislators. Nobel Laureate James M. Buchanan has elaborated on this subject in his acclaimed theory of public choice (Buchanan).

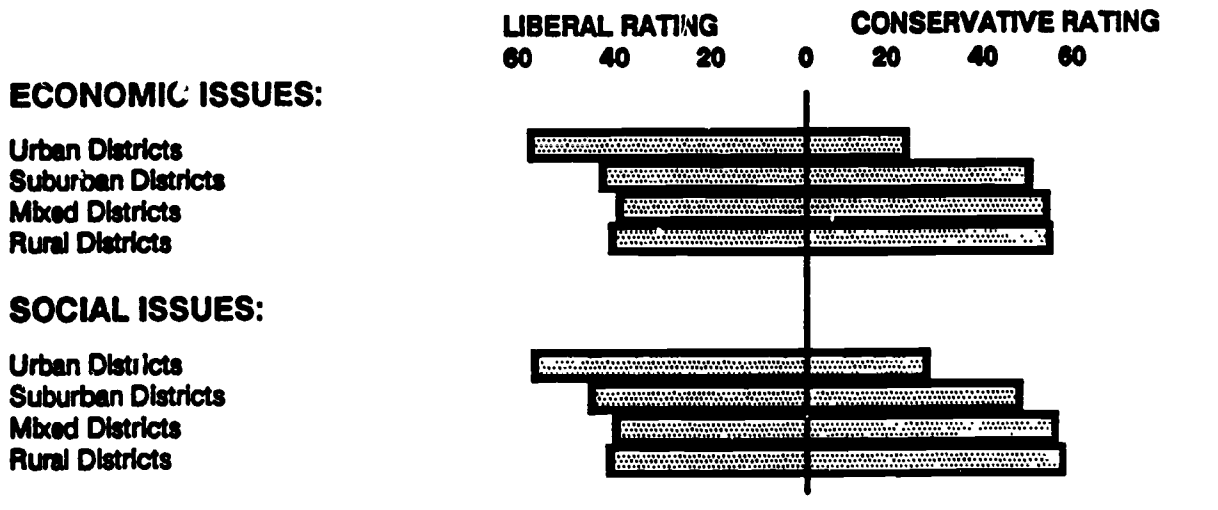
VOTING RECORDS

Using the classifications of Congressional districts described previously, voting records can be analyzed for differences between urban and rural Representatives. This study relied on 1987 ratings as compiled and published by the *National Journal* (Cohen). The findings are pronounced.

The National Journal's rating is based on key votes based on 1) type of policy issue -- economic, social or foreign (the latter is not discussed here), and 2) political nature -- liberal or conservative. Since some votes are linked to broad agendas and others contest of the ideological will or political strength of the Congress, the *National Journal* weighted votes to reflect their relative importance in the political arena. With that compilation completed, Members were then ranked according to their scores. By this scheme, a liberal rating of 60 and conservative rating of 30 does not mean a Member voted liberal 60 percent of the time and conservative 30 percent. Instead, the rating suggests that a Member is more liberal than 60 percent of the Members and more conservative than 30 percent of the House.

Two generalizations can be made about Charts II.5 and II.6. Rural Congressmen tend to more conservative than their urban colleagues, and Rural Democrats are largely responsible for that shift. The Urban-Suburban-Mixed-Rural classification shows Representatives of urban districts to have the highest liberal and lowest conservative ratings of the Congress, for both economic and social issues. Their colleagues from rural districts posted nearly the lowest liberal ratings and the highest conservative ratings on both issues.

Chart II.5
1987 VOTING RECORD RATINGS
U.S. House of Representatives



SOURCE: National Journal and author's calculation. See Chart II.6.

Chart II.6
1987 VOTING RECORD RATINGS
By Party Affiliation and Type of Congressional District
U.S. House of Representatives

	RATING ON LIBERAL ISSUES		RATING ON CONSERVATIVE ISSUES	
	Economic	Social	Economic	Social
House Overall	45	46	45	46
Republicans	18	21	77	75
Democrats	64	64	23	27
Metropolitan Districts	46	47	43	43
Republicans	18	21	78	76
Democrats	65	67	20	22
Nonmetropolitan Districts	42	40	52	57
Republicans	22	23	75	74
Democrats	58	53	34	44
Urban Districts	59	60	24	28
Suburban Districts	42	45	49	46
Mixed Districts	38	39	55	56
Rural Districts	43	41	51	56

EXPLANATION: Numbers depict percentile rankings. For example, Congressmen of metropolitan districts on average are "more liberal" than 47 percent of Congress on social issues; Congressmen of nonmetro districts are "more liberal" than 40 percent on social issues, indicating they are "less liberal" than metropolitan Congressmen.
NOTE: Ratings do not average to 50 because of the weighting of votes and Members not voting on specific legislation.
SOURCE: Author's calculations based on National Journal ratings, April 2, 1988.

Both Republicans and Democrats from rural districts were more moderate than those from metropolitan districts. That is, rural Republicans had liberal ratings higher and conservative ratings lower than their metropolitan counterparts. The reverse was true for Democrats, where liberal scores were lower and conservative higher. However, Democrats deviated the most, illustrated by a jump from 22 to 44 on conservative social issues. The widest difference for Republicans was four points on liberal economic issues.

Not surprisingly, the most senior rural Representatives are more moderate than the cross-section of all rural Members. Rural Republicans with five or more terms had liberal ratings about eight points higher and conservative ratings about seven points lower than all Republicans. Rural Democrats with five or more terms had liberal scores 10 points lower and conservative measures about 17 points higher.

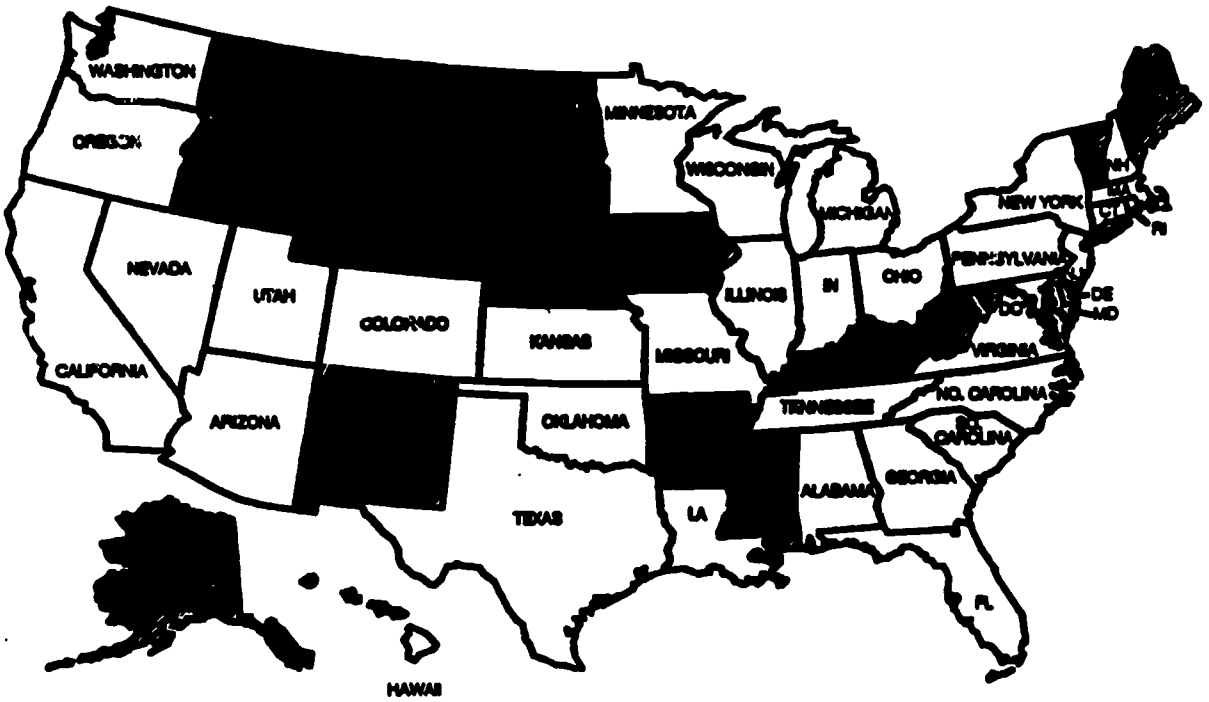
OBSERVATIONS ABOUT THE HOUSE

Rural residents, comprising about 24 percent of the U.S. population, are "under-represented" in the House. Rural districts number 88, or 20 percent, indicating that geographic representation is not uniform. In terms of seniority and leadership, rural Representatives lag behind their urban colleagues, occupying less than 17 percent of key leadership positions. If the House reflected the rural population uniformly, about 104 seats would serve rural districts, and about 36 rural Representatives would control chairs instead of the current 25.

Rural Characteristics of the U.S. Senate

Based on equal representation for every State, the Senate gives rise to political behavior and institutional practices different from the House. This distinction by and large can work in favor of rural interests, just as it does for other diverse voting blocs, such as the elderly. All States except New Jersey have nonmetropolitan areas, and even New Jersey contains areas that are rural by the familiar Census definition -- places with fewer than 2500 persons.

Chart II.7
STATES WITH A MAJORITY NONMETROPOLITAN POPULATION



The 15 shaded States each have 50 percent or more of their population residing in nonmetropolitan areas.
SOURCE: Census Bureau

Senators must appeal to a much broader constituency than do Representatives. Their actions are accountable to that more diverse electorate as well.

Fifteen of the 50 States have a majority of their populations residing in nonmetropolitan areas, as shown on Chart II.7. They are Maine, Vermont, West Virginia, Kentucky, Mississippi, Arkansas, Iowa, North Dakota, South Dakota, Nebraska, Montana, Idaho, Wyoming, New Mexico, and Alaska. This nucleus of 30 Senators already shows a potentially stronger voice for rural interests than exists in the House.

Other States have circumstances which can compel Senators to act more responsively to their rural constituencies. For one matter, as shown in Chart II.8, 17 States have rural populations that are "under-represented," i.e., the proportion of rural Congressional districts is less than that indicated by the State's rural population. Of course, populations and districts are not uniformly distributed. Despite this, the illustration can be useful to enlighten Senators of the absence of complete representation and to apprise them of the need for greater attention to rural issues.

The more prominent the rural population is, the greater the validity of stressing the importance of strong rural advocacy. Chart II.8 thus lists the "under-represented" states in terms of decreasing rurality. This table contains many States considered by the public to be traditionally rural due to their geographic size or mainstay industries. Among the

Chart II.8
STATES WITH RURAL "UNDER-REPRESENTATION"
Listed in Decreasing Rural Proportionality

State	1986 Population Percent Rural	Congressional Districts Percent Rural	Number of Rural Congressional Districts	Number of Rural Seats for Proportional Representation
West Virginia	63.4%	50.0%	2	3
North Carolina	45.0	36.4	4	5
Alabama	35.9	28.6	2	3
Tennessee	33.2	[illegible]	2	3
Oregon	32.6	[illegible]	1	2
Indiana	32.0	[illegible].0	2	3
Arizona	23.4	0	0	1
Utah	23.0	0	0	1
Michigan	19.8	16.7	3	4
Texas	19.2	14.8	4	5
Washington	19.0	0	0	2
Illinois	17.6	9.1	2	4
Pennsylvania	15.4	13.0	3	4
New York	9.5	5.9	2	3
Massachusetts	9.2	0	0	1
Florida	9.1	5.3	1	2
California	4.3	0	0	2

EXPLANATION: These 17 States have rural population proportions which exceed the proportion of Rural Congressional Districts for each State. In each case, the proportionality would be better replacing at least one metropolitan district with a rural district. States with large Congressional delegations naturally have lower thresholds to achieve better representation balance.

SOURCE: Census Bureau and author's calculations.

familiar ones are Washington, Oregon, Utah, Arizona, Illinois, Alabama, Tennessee,and North Carolina. Because of the increasing dominance of cities, however, the majority of their residents are not rural.

To be fair, two States are "over-represented" in rural terms. They are Arkansas, where three of four seats currently are rural. With a 60.7 percent rural population, two rural seats would be better reflect the State's population. The other State is Maine, whose two seats are both rural. Its 63.9 percent rural population would also suggest an even split.

Absent from this discussion are metropolitan States with substantial and vital rural interests. New Hampshire, Delaware, South Carolina, Georgia, Wisconsin, Minnesota, Louisiana, Kansas, Oklahoma, and Colorado each has either a lower population density or a rural population exceeding 30 percent of its total. These 10 States, combined with the 15 rural States form a solid nucleus to promote rural policy in the Senate.

SENIORITY AND LEADERSHIP IN THE SENATE

Unlike the House, the average seniority of Senators from rural States is not appreciably different from Senators serving metropolitan States. But important differences lie in the rural composition of the States of the most senior Senators. For the 20 highest ranking Senators, their States' populations are about 22 percent rural. The 20 least senior Senators come from States which are about 27 percent rural. Coincidentally, the Congressional Districts of these high-ranking Senators' States are about 17 percent rural, compared to 23 percent for the lowest-ranking Senators.

Senators from the 15 rural States control about 31 percent of standing Committee and Subcommittee chairmanships, nearly the same proportion as their numbers. Occupying these leadership positions helps to ensure rural advocates of a voice in a wide range of issues and policy areas.

SENATE VOTING RECORDS

As shown in Chart II.9, Senators' ratings vary significantly by party and by population characteristics of their State. On economic issues, however, the differences between metro- and nonmetro-State Senators are negligible. A spread of seven to eight points differentiates metro and nonmetro Senators on social issues.

Along party lines, nonmetro Democrats are more moderate than their metro colleagues, in contrast to nonmetro Republicans who diverge away from the norm. Nonmetro Republicans are much less liberal (by 12 points) and more conservative (by 9 points) on

Chart II.9
1987 VOTING RECORD RATINGS
By Party Affiliation and Type of State
United States Senate

	RATING ON LIBERAL ISSUES		RATING ON CONSERVATIVE ISSUES	
	Economic	Social	Economic	Social
Senate Overall	45	48	45	48
Republicans	22	27	74	70
Democrats	64	68	21	29
Metro-State Senators	46	51	45	46
Republicans	23	30	74	67
Democrats	65	69	20	28
Nonmetro-State Senators	44	43	47	53
Republicans	22	18	75	76
Democrats	63	65	22	32

EXPLANATION: Numbers depict percentile rankings. For example, Senators from metropolitan states on average are "more conservative" than 45 percent of the Senate on social issues; Senators from nonmetro states are "more conservative" than 53 percent on social issues, indicating they are "more conservative" than metro-state Senators.
NOTE: Ratings do not average to 50 because of the weighting of votes and Senators not voting on specific legislation.
SOURCE: Author's calculations based on National Journal ratings, April 2, 1988.

social issues than metro Republicans. Nonmetro Democrats move more toward the center, having an average liberal score four points lower and a conservative score four points higher than their nonmetro allies.

OBSERVATIONS ABOUT THE SENATE

While the House and Senate ratings are not directly comparable, it appears that a larger ideological gap separates Republicans and Democrats of rural States in the Senate than in the House. Both parties are responsible for that widened gap. On economic issues, Democrats seem more liberal than their House counterparts, and on social issues, Republicans are more conservative. Nonmetro States comprise a geographic and political mixture that includes populists, libertarians, conservative Southern Democrats, and Federal activists.

Rural interests are represented by a greater proportion due to the design of the Senate. In addition, since all Senators have constituents that meet a rural definition, there is just cause for their awareness of and appreciation for important rural concerns. Justification, though, is not reason enough for political prominence. Senators must see a political relevance before they advance rural issues.

III

DEVELOPING A NATIONAL RURAL POLICY FOR THE 1990s

The political pendulum swings back and forth in reaction to changes in society over time. This not only signifies a vibrant government responsive to the people, but also serves as an implicit institutional check and balance on the legislative and executive branches.

Public policy possesses a similar nature. It changes across ideological lines, advances and retreats with its results, and generally follows a path of progress according to what society considers correct. Policymakers also seek the counsel of professional public policy analysts and planners who influence both policy goals and the means to achieve them. Since people and institutions are imperfect and political science is inexact, no policy yet devised is ideal. Nor can most policy successes survive the test of time. Thus, change -- innovation, modification and reformation -- is a requisite of sound policymaking.

A Comment on National Policy Trends

Before addressing rural policy issues, a few observations about policy trends in general are in order. The 1980s policy environment has been one of transition, and one of frustration and dissatisfaction for those coping with change or having a vested interest in the status quo. Numerous government programs have been under criticism for ineffectiveness. The lackluster results of important programs in such areas as welfare and poverty have resulted in a call for wholesale reform. Deregulation, for example, has been a political movement for years, as policymakers and administrators have come to recognize that government intervention is not a blanket solution to improve society. In short, the 1980s have been a time for policy introspection where program directions and priorities have been altered in many ways.

One of the underlying, fundamental issues is forcing intense public policy debate. Its political stakes are high, for power and control of the political agenda are likely to flow to the victor. Under examination is the appropriate role of the Federal government, both in the context of the U.S. governing structure -- Federal, State, and local, and in its involvement to improve the lives of individuals.

In 1940, about 10 percent of U.S. gross national product was from the Federal Government. Last year, Uncle Sam accounted for about 22 percent of GNP. The decades-long trend of more national government has yielded slightly to New Federalism, where States have been given more flexibility. More freedom and prerogative implicitly imposed greater responsibility to the States. This transfer of authority occurred at a time of severe budget constraint, causing some Governors to complain bitterly about New Federalism. Now that the adjustment is largely over, however, most States prefer their expanded role. New Federalism's greatest accomplishment may have been the restoration of creative and innovative responses devised to address policy goals. New approaches at lower levels of government allowed States to deal with issues without rigid and sometimes unapplicable Federal guidelines which may have hindered efforts and wasted taxpayers' money.

Besides the debate over what roles and levels of government are appropriate, the *methods* of governmental actions also have come into question. Programs now require far greater justification than in the past and stricter accountability as well. Moreover, the demonstration of serious commitment on behalf of program administrators and beneficiaries, and higher matching funds and local effort point to a demand for a greater "return or public investment." Even programs for the disadvantaged now require more involvement and cooperation of the recipients themselves. The welfare reform movement now under active consideration in the Congress is testimony to this new attitude.

This brief philosophical discussion of public policy shifts and their implications gives way to a starker realization. Current Federal policy obligations exceed revenue by an unprecedented amount. Overwhelming budget deficits have paralyzed the Congress, and the stalemate is likely to continue for the next few years. Rural policymakers must take into consideration all these trends in and attitudes toward government policies and programs.

Rural Policy Prospects in 1988

Three circumstances impede the chances for new or expanded rural programs in the near future. First, many -- perhaps most -- Congressmen equate rural with farming, period. They saw $26 billion going to the farm sector last year, and $100 billion since President Reagan came to Washington. It is no secret that a growing number of elected officials are becoming very disenchanted with the skyrocketing costs of agricultural programs. That negative reaction immediately rubs off on other rural programs -- a guilt by association.

Second, the Farm Credit System has received a bailout of record proportions. Whether it costs $2 billion as hoped or more as expected, the public outlay will be remembered by disgruntled politicians for years to come, making nonfarm rural proposals difficult to promote. Third, the Farmers Home Administration, a lender of last resort, is sitting on billions of dollars of uncollectible debt for which an appropriation ultimately will be required. Again, a multibillion dollar infusion will increase political resentment against rural America.

Several rural development proposals and bills are under consideration, but none has been slated for votes for final passage in either the Senate or House. While largely status quo approaches, a number of new features are also included: the use of block grants for investment capital and infrastructure improvements, the establishment of a "Rural Fund for Development" through the Commodity Credit Corporation, a targeted emphasis on rural technology development and worker retraining, the use of "rural enterprise zones," where business is given incentives to build or expand facilities and create jobs in distressed areas, and the creation of an Assistant to the President for Agricultural and Rural Development, to name a few.

The Reagan administration, too, has implemented a six-point Rural Regeneration Initiative, which refocuses the mission of several agencies at the U.S. Department of Agriculture. This approach is one of coordination, information, technical assistance, research, education, and business capital. However, the endeavor does not include any additional funding, and instead works with the resources on hand.

A Rural Policy Platform

Beginning in 1985, the Congressional Joint Economic Committee launched a two year agenda on the rural economy, entitled *The Economic Evolution of Rural America*. Chaired by former Senator James Abdnor, Vice Chairman of the committee in the 99th Congress, this rural initiative was the first comprehensive Congressional oversight of the 1980s. He discovered a limited interest among his colleagues while he confirmed his fears about the

need for attention. In the introduction to *New Dimensions in Rural Policy: Building Upon Our Heritage*, he stated, "Worsening trends in the 1980s and diminishing awareness of Washington decisionmakers toward rural issues have led me to conclude that we are 'The Forgotten America.'"

The committee outlined 25 principles of rural policy as a foundation on which successful rural programs could be launched. Here, they are condensed into 10:

1. There must be a renewed national commitment to rural America as human, natural resource and economic bases for generations now and to come.

2. The positive contributions of rural America, as an integral part of the national economy, must be recognized and appreciated by Federal policymakers and all Americans. Opportunities and equal rights for rural people are as important as those of their urban counterparts.

3. There must be a renewed commitment to the American heritage of family-owned and -operated farms as the cornerstone of our Nation's agricultural structure -- the proven and reliable provider of food and fiber at low cost for ourselves and international humanity.

4. The natural resources of rural America -- soil, water, forests, minerals and fisheries -- must be protected and maintained as though our lives depended on them, because they do. Once taken for other uses, our farmland and natural resources can rarely be restored, and then only at great expense. For those reasons, stewardship and conservation must be practiced.

5. Economic development efforts are best attained through teamwork. Partnerships among business, industry, government, and civic organizations can accomplish goals for job creation, diversification, and public services.

6. Essential to rural economic development are adequate infrastructure facilities -- roads, airports, transportation systems, water treatment, fire and crime protection services, etc. Equally important are communications services, including telephones and computer links, mail and parcel delivery, and mass media, all of which provide a vital connection to the rest of the Nation.

7. Education, health care, community, social and elderly services occupational development and recreation are central to the economic and social well being of rural Americans.

8. Rural citizens should not be deprived of access to new technology and its benefits. These opportunities are essential to maintain equal footing with the rest of society.

9. Rural people, households, farms, businesses, and communities have needs for social, economic, and technical information. National statistics on the conditions and changes in rural and farm populations, employment, and quality of life are needed by policymakers and planners. Research is needed on the causes and impacts of social and economic conditions in rural America.

10. Because the rural economy is now tied directly to the U.S. economy, sound economic, fiscal, monetary, and foreign policies are imperative for long-term, stable and noninflationary growth. Policies that foster free enterprise, individual initiative, innovation, and productivity are indispensable in achieving prosperity.

These principles present in concise fashion broad policy goals. They identify features unique to rural America; stress the importance of national awareness; underscore the need for access to technology, information, public facilities and services; recognize the urgency of private sector initiative and teamwork among all participants; and show rural America to be a part of and affected by the U.S. and world economy. This framework contains the elements of sound rural public policy. The direction of these principles is compatible with the current Federal policy environment.

Rural Policy Parameters

Numerous policy studies and analyses have been developed in response to heightened interest in the last few years. Both the setting of and policy framework for rural America have been articulated, in terms of human and capital resources, demography, and policy focus (macro, micro, sectorial, territorial, transitional, development, advocacy, etc.).

Policy proposals, of course, vary widely in scope, objective and costs. The purpose of this study is not to choose among proposals, but rather to establish a few general guidelines to smooth the bumps and minimize the snags along the policymaking path.

Effective national rural economic policy for the 1990s must evaluate and respond to three conditions: 1) rural reality, 2) Federal political and policy limitations, and 3) local involvement and commitment.

RURAL REALITY

Most policymakers do not have a clear picture of what rural America is, what it contributes to the economy, how it is affected by national economic events, and why its needs may be different from urban concerns. Rural America must prove that it is both unique and deserving of special attention. That case must be built on merit and persuasive evidence.

FEDERAL POLITICAL AND POLICY LIMITATIONS

Merit and evidence are necessary but not sufficient conditions for Congressional action. The sufficient condition is politics. Leaders must be convinced that it is in their personal and the national interest to give prominence to rural issues over others. And competition for that interest is stiff. If political requirements are satisfied, then rural policy proposals must conform to the prevailing tenor of all public policy. Today, that denotes fiscal restraint.

LOCAL INVOLVEMENT AND COMMITMENT

Regardless of the degree of Federal intervention, the crucial determinant of successful economic development and community planning is grassroots initiative. Time has shown that the Federal government is not necessarily the best motivator of people, the most efficient allocator of resources or the greatest planner for society. Policymakers now are

taking steps to ensure that programs truly are desired and that the local level will strive to maximize the benefits. Federal policymakers recognize State and local commitment is an essential ingredient for achieving policy goals.

States have become valuable seedbeds of innovation. The current trend of State and local economic development activism has momentum and is demonstrating success. These efforts deserve attention and recognition, and some may emerge as models of wider application.

Summary

In the near future, there is little likelihood that any new, comprehensive, activist rural policy would be adopted at the Federal level. Regional development commissions probably will not be reborn at a time of Federal retrenchment. Rural-specific omnibus legislation is not likely to take precedence over urban-renewal bills, which have been desired for years by urban leaders. Nor can rural America expect more funding for entitlement or social programs when they have been under intense inspection for ineffectiveness and unsuitability. Washington has come to expect more in return for its appropriations.

A conventional approach to advance rural programs in a status quo environment would be to be "piggy-backed" onto some larger, costly measure that first satisfies the urban leaders of Congress. Rural advocates must realize that such a tactic could backfire. The rural allocation of large national programs easily could decline in today's political climate. The decrease in rural numbers in the Congress means even more Members will have to be persuaded to protect rural interests.

A successful new national rural policy will not beg the "What can Washington do for me?" question. Instead, a bold rural agenda will capitalize on the shift in Federal thinking already in motion. Rural policy to foster enterprise and encourage initiative -- and not just to indulge more government -- could become the model for all public policy. The Federal government plays a valuable supplemental role by ensuring that macro policy fosters growth and engenders opportunity. But grassroots leadership, innovation and follow-through will be primary determinants of rural progress.

IV

IMPLEMENTING RURAL POLICY: A RURAL RIGHTS ACT?

Advancing and enacting a rural policy is perhaps the biggest obstacle confronting rural advocates today. Agriculture is the dominant rural political force. Agricultural groups in Washington are recognized and visible, and have a history of political accomplishment. They comprise a core of support that is familiar with the gamut of rural issues. The expanded functions of the U.S. Department of Agriculture over the past several decades have made it the national focal point for most rural issues. These characteristics are desirable and beneficial.

But can agriculture continue to be the torch bearer for rural America? Only a fraction of rural counties are considered to be agriculture-dependent. In terms of employment, farming accounts for only about one in ten rural jobs. Direct and indirect employment in agriculture-related industry adds another two. Can the agricultural minority represent the others fairly and effectively? Agricultural groups have become adversaries and competitors, diminishing their reputations and leadership ability. Many politicians resent the costs associated with the past two farm bills. Furthermore, opinion is sharply divided on whether the farm program has helped or hurt the rural economy in the 1980s. Throughout history, rural America has suffered a farm/nonfarm rivalry. This polarization must cease if progress is to be made.

A Rural Rights Movement

Part of the Joint Economic Committee's *Economic Evolution of Rural America* hearings cautiously and sensitively raised the question of whether rural America was disadvantaged and discriminated against. Disadvantage was readily documented, with statistics on personal income, poverty rates, unemployment and underemployment rates, and incidence of substandard housing all showing rural America to be worse off than urban America.

The topic of discrimination is not as straightforward. Sometimes discrimination can be indirect, unintended or the consequence of ignorance. Regarding the latter cause, data collection agencies of the Federal government do not compile as much information about nonmetropolitan areas as they do for metropolitan areas. This is a deliberate decision based

on budget constraints. The result, though, is a lack of information vital to rural advocacy and sound policy. Making matters worse, nonmetro data often are not collected directly but rather as a statistical residual. But residuals contain the error factors in statistical functions, resulting in less meaningful rural data.

Allocation of Federal program funds, too, reveals an urban bias. Despite the fact that nonmetro unemployment and underemployment rates exceed metro measures by a third to a half, nonmetro areas receive only about 13 percent of employment and training funds. Federal procurement programs also show a pronounced urban leaning. The 15 rural States cited earlier in this study receive only about 5.9 percent of all procurement contracts (*The 1986 Joint Economic Report*, p.198)

Another illustration of implicit Federal discrimination is the funding formula for the Job Training Partnership Act of 1982. Two-thirds of the funding was allocated according to unemployment figures of little relevance to the rural employment picture (*Is the Economic Expansion Over?* p.30). Because of under-reporting of unemployment and the way the formula was designed, rural areas were denied over $100 million in funding from 1983 through 1985, according to a preliminary analysis by the General Accounting Office.

Uncovering this evidence of bias led to a legislative proposal by committee staff. A "Rural Rights Act" was drafted, invoking familiar constitutional themes. The preamble to a "rural bill of rights" stated "...[t]hat integral and essential to the securing and maintaining of these rights is adequate *access* by all the people to public services and to the means of commerce, communication, education and health care, regardless of race sex, age, creed, national origin -- *or geographic residence.*"

This resolution followed the preamble:

> *WHEREAS, rural America is the origin and foundation of America's economic and social strength;*
>
> *WHEREAS, the Constitution of the United States and the Bill of Rights were conceived and implemented for all Americans; and*
>
> *WHEREAS, the rural and agricultural economy is undergoing a fundamental and dramatic socioeconomic transition of historical proportion;*
>
> *THEREFORE BE IT RESOLVED THAT THE CONGRESS OF THE UNITED STATES renew, strengthen and guarantee the rights of all Americans by protecting the rights of rural Americans;*
>
> *Preserve the access of rural citizens to the same basic, minimum services that are provided to urban citizens, among those being health care, education and vocational training, community services for all citizens, social services for the elderly and disadvantaged, transportation, government services to individuals and businesses, postal services, financial and commercial services, energy resources, telecommunications, and technological advances of all kinds; and*
>
> *Ensure the prosperity of all Americans by retaining and fostering the American spirit of freedom and free enterprise, goodwill, ambition, civic duty and social responsibility, as are cherished, revered and practiced by rural Americans.*

Four titles were included in the draft. The first would prohibit discrimination against rural residents. Rural citizens could not be denied participation in, or the benefits of, Federal programs or the Postal Service, or any program receiving Federal financial assistance. Of course, no one today is barred from participation *per se*; however, rural people often do not have *access* to the plethora of programs readily available in urban areas.The second required "rural impact statements" on all Federal proposals, regulations and policies to ascertain how rural areas would be affected before any action would be implemented.

The third title would create a rural rights commission. A 27-member body appointed by the President and the two bodies of Congress would examine the political, economic and social segments of rural America. Annual reports would be submitted to Congress for three years, culminating in a final report with recommendations for long-term rural policy. The fourth aspect of the proposed legislation would revamp the Department of Agriculture to strengthen and expand its role in all areas of rural society.

Such a proposal, if enacted, would greatly enhance the Federal Government's awareness of and sensitivity to rural issues. The result would be a fairer allocation of public resources to rural areas, a greater allotment of procurement contracts, equitable consideration and treatment of rural areas regarding regulations and other governmental interventions. These changes would improve the well being of rural Americans in countless ways.

A New Coalition for the Rural Economy

Coalition building is the essence of politics. Rural America is a cross-section of diverse people, groups and purposes. Uniting them in support for the rural cause would revive their visibility. Rural Americans are members of scores of politically active organizations involved with national social and economic issues. Rural members pressing for prominence of rural interests are indispensable to gain recognition. This connection must be tapped anew.

A rural coalition has many potential players from local, county and State governments, the private sector, and civic, social, religious and professional organizations. Governments have many national organizations, including the National Governors Association, the Conference of State Legislatures, the Council of State Governments, the Conference of Mayors, the Advisory Commission on Intergovernmental Relations, the National Association of Regional Councils, the National Association of Counties the National Association of Development Organizations, the Council of State Community Affairs Agencies, the National Association of Towns and Townships.

The private sector offers the talents and resources of individual volunteers and businesses plus the clout of their national organizations. Among the major ones are the Chamber of Commerce, the National Federation of Independent Business, and the National Association of Manufacturers. Many trade-specific groups can lend assistance as

well, including retail, wholesale, distribution and transportation, management, accounting, legal, and banking interests.

Public utilities are in a unique position to be involved in rural economic development. Community vitality and economic growth are essential to their continued successful operations. Recognizing a role, the National Rural Electric Cooperative Association has been very active in promoting rural issues. Telecommunications firms play a vital role in determining the potential of rural America in the information age.

Many social groups also can emphasize rural considerations, such as elderly, housing, welfare, health care and human services, and American Indian affairs. Education organizations are especially needed, given the critical and indispensable and pivotal role education and training play in the economy. Cultural organizations ranging from fine arts to historic preservation can figure prominently in establishing a unique identity for rural areas. Recreation and environmental organizations are acting to protect and preserve huge tracts of land, and therefore have a vested interest in rural America.

Enlisting the support of the abundant and diverse organizations in rural America is a means of gaining visibility and instigating cooperative efforts to advance rural issues. Endorsements can lead to the creation of an umbrella organization -- an "Alliance for Rural Progress" -- that would acquire its own identity and mission.

As an established entity, a rural coalition could engage in a national membership drive to enlist private citizens and other interested parties. Marketing and promotion -- perhaps rural America's weakest links in the 1980s -- could be a major venture of a new rural coalition. Connecting with the media and a national audience, and competing against Madison Avenue's slick and talented image makers are formidable challenges that require an carefully orchestrated, professional approach.

Coalitions work because they are comprised of dedicated participants and are responsive to their membership. They strive to impart on government the ideals they represent. They are institutions integral to our democratic process. A renewed rural coalition is essential to advance the cause for rural America.

Conclusion

Economic change is as inevitable as mankind is inventive. This penchant to innovate necessitates transition and accommodation as the new replaces the old. Rural America must adapt to a new global economic environment if it is to continue making a major contribution in the future. The economy no longer automatically "grows" in the direction of rural areas. To the contrary, ironically, our ability to provide food, fiber, natural resources, and energy in abundance has freed resources for alternative uses in alternative places. This transformation unleashed the production of goods and services unimaginable 60 years ago when the rural economy dominated the U.S. scene.

Rural America must now adopt and create new economic activities to remain integrated in, and keep pace with, the global economy. Public policy must recognize and facilitate the economic evolution transpiring within and outside rural America. Rural advocates and Federal policymakers failing to address these fundamental issues will sustain an unsatisfactory status quo -- underutilized national resources and unfulfilled personal and public opportunities.

Despite the benefits, change is also viewed as a threat to society, because it is misunderstood and disruptive. Change requires cooperation and constructive adjustment, and public policy can ease the dislocation. In his essay in *New Dimensions in Rural Policy*, Don Paarlberg considers rural America's and agriculture's transition to have parallels to the profound changes caused by the Industrial Revolution. His observations are philosophical:

> *That change, too, was poorly understood at the time. Individuals found it necessary to make difficult decisions. Traditions were swept aside. Institutions experienced stress. Politicians had to cope with problems for which they know neither cause nor solution. Unaware of the sweep of events, they addressed problems as if the old order still prevailed. There were efforts to fix blame on individuals and on groups. But the agent of change was that impersonal entity, technology. Change was resisted but it occurred nonetheless. In the effort to cope with the adverse effects of change, the great benefits thereof were overlooked and became evident only in retrospect: greater efficiency, a higher level of living and greater capability, private and public, to meet the needs of the unfortunate.*

At the turn of the century, resisting innovation and technology probably translated into a domestic forfeiture of advancement. Today, opposition to changes clearly means the forfeiture of global advantage. This escalation in opportunity costs makes sound rural policymaking all the more imperative.

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