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Jami Curley

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Washington University in St. Louis
George Warren Brown School of Social Work

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Jami Curley
Assistant Professor
St. Louis University
curleyjc@slu.edu

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Center for Social Development
George Warren Brown School of Social Work
Washington University
One Brookings Drive
Campus Box 1196
St. Louis, MO 63130
tel 314-935-7433
fax 314-935-8661
e-mail: csd@gwbmail.wustl.edu
http://gwbweb.wustl.edu/csd

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Abstract

This paper provides a historical overview of rural America. To understand the dynamics of rural areas today, we have to understand how they evolved. Demographic trends, economic factors, and government policies have all contributed to the current state of development in rural areas. The impact of each of these aspects has shaped and influenced rural areas in their own unique way. This paper examines the role of all three aspects. A definition of rural is also included.

Introduction

As we enter the 21st century, the United States has to increasingly strive to be more economically innovative and competitive to succeed in the global market. Many rural areas, which once played a vital role in the economic growth of America, are now struggling to maintain sustainable development. Over the last several decades, rural communities have seen shrinking job opportunities, the loss of young and skilled workers, and a decrease in the demand for goods produced in these regions (Henderson, 2002; Pezzini, 2000). More and more, rural areas must draw upon alternative methods to foster development and compete globally. Much wealth still exists in rural communities. The present challenge is to identify this wealth and generate productive assets from it. Rural America today is vastly different than it was at the time of the American Revolution. In 1776, over 90 percent of the U.S. population lived in rural areas where farming was the primary economic resource. By 1990, less than 25 percent of the population still lived in rural settings and farmers were only 2.6 percent of the labor force

(Danbom, 1995; Economic Research Service (ERS), n.d.). A variety of factors have altered the landscape of rural America over the years. The out-migration of people and the changing economic base from agriculture to manufacturing to service has disproportionately affected many rural areas, leaving some regions in more economic distress than others (Freshwater, 2000). Furthermore, because of the differences in assets, resources, geography, culture, and migration patterns, issues affecting sustainability and growth in many rural areas also vary (Oakerson, 1995). This paper examines the historical trends and factors that have shaped the landscape of rural America and the resulting present conditions in these regions. It begins with a definition for rural.

Rural Definitions

Two common rural definitions exist in today's literature. The U.S. Census Bureau defines rural as territories with a population of less than 2,500 people and urban as territories with a population of 2,500 or more. This definition further divides urban into two more categories: urbanized areas, which have 50,000 or more people and urban clusters, which have a population of at least 2,500 and less than 50,000. In 2000, 21 percent of the population lived in rural areas, 11 percent lived in urban clusters and 68 percent lived in urban areas (U.S. Census Bureau, 2002).

The second definition was developed by the Office of Management and Budget (OMB). It uses metropolitan (metro) and nonmetropolitan (nonmetro) to distinguish between urban and rural areas, respectively. This designation differs from the U.S. Census Bureau not only in name, but also in that it defines population sectors on the basis of counties instead of territories. Metro areas are central counties containing one or more urbanized areas and any connecting counties that are economically tied to the core counties. Measured by work commute, a county is economically tied to a central county if 25 percent of those employed commute to the central counties, or if 25 percent of those employed in the central counties commute to the connecting county. The remaining counties are considered nonmetro (OMB, 2002).

In addition, metro areas are further defined as counties with urban centers of 50,000 or more people. Nonmetro counties are subdivided into two groups according to population. Micropolitan areas contain a central city or cities with a population of 10,000 to 50,000. The OMB characterizes those counties with less than 10,000 residents as nonmetro noncore counties. In 2000, 17 percent of the population lived in nonmetro areas, leaving 83 percent living in metro areas (ERS, 2002).

When the two definitions are compared, 40 percent of the rural population lived in nonmetro areas, while 59 percent of the nonmetro population lived in rural areas (ERS, 2002). The metro-nonmetro classification has an advantage over the urban-rural in that the former is defined by counties which gather yearly social and economic data information compared to the latter which is collected only from the decennial census (ERS, 2003). For the purpose of this paper, no specific definition is designated and rural is used to describe both rural and nonmetro areas.

Demographic Trends

At the end of the 18th century, rural life dominated the background of this newly established nation where all but a very few people resided in the country. However, by 1900, with the expansion of the West and the onset of the Industrial Revolution, rural residency had declined to approximately 66 percent of the population and within 20 years, in 1920, it had dropped to 50 percent of the population (Housing Assistance Council (HAC), 2002). The extent of population loss in rural areas due to migration fluctuated over the next several decades due, in part, to higher birth rates and lower death rates, but the pattern was clear, out-migration was greater than in-migration (Johnson, 2003). During the 1970s, however, this patterned changed. For the first time in several decades in-migration exceeded out-migration. Although this pattern was short-lived with the 1980s seeing out-migration grow again, the pattern in the 1990s reversed again and the rural population rebounded for some counties (Johnson, 2003). Still, between 1995 and 2000, 750 rural counties had net migration loss (ERS, 2003).

As different factors fueled the changing relocation patterns in rural areas, the composition of its population also changed. The out-migration patterns before the 1970s were mostly a result of less productive farmers leaving rural areas for more stable employment in the cities, not because of declining wages. In fact, rural incomes often grew during the earlier decades in contrast to the 1980s when they fell in comparison to urban incomes (ERS, 2004). This period also saw the stagnation of job creation in these regions. As this trend continued throughout the 80s, many of the younger, better educated populations began to move into the cities in search of better opportunities while many less educated young adults migrated to rural areas (ERS, 2004).

This change, along with the in-migration of the elderly, most notably in counties that specialized in recreation activities and aging-in-place amenities, helped contribute to the higher proportion of elderly residents in rural areas compared to urban areas (Rodgers, 2003). Consequently, the demand for resources in this age group, such as health care, social services and long-care facilities has also increased and will continue to increase as the "baby boomers" mature into senior citizens and age-in-place or relocate.

In 2000, minorities made up only 17 percent of the rural population. The Native American population was the only race with a higher percentage in rural areas (2 percent) than in urban areas (1 percent) (Hobbs & Stoops, 2002). Although minority percentages are lower in rural regions compared to urban regions, historically, their roots are founded in rural areas. Slavery legally ended in 1863, but because many former slaves had no assets, food, or clothing when they were freed, they were forced to remain on the plantations in the South to survive. Even though numerous African Americans migrated to urban centers in search of a better life during the first half of the 20^{th} century, many remained and are still concentrated in an area of the rural South referred to as the "Black Belt." The Black Belt is comprised of 147 counties with a population of at least 40 percent African Americans extending from Virginia to Louisiana (Falk and Lyson 1988). Approximately 75 percent of the African American population live in these counties with all 147 counties considered to be persistently poor (Williams & Dill, 1995).

The Hispanic population, particularly those of Mexican dissent, originally settled in rural areas to take advantage of the available work opportunities offered by the agricultural industry. So regular was this influx of immigrants throughout the 20^{th} century that many U. S. farmers began to depend on this group for their cheap labor (Saenz & Torres, 2003). Currently, Hispanics only constitute approximately 6 percent of the rural population, but are currently the fasted growing ethnic/minority group in rural areas. Between 1990 and 2000, the Hispanic population increased in these regions by 70 percent. In general, Hispanics tend to be younger, poorer and less educated compared to their non-Hispanic counterparts (HAC, 2002).

Before the arrival of the Europeans, Native Americans roamed this nation's land freely. As the country became more populated, the American Indians were driven off their original homelands and forced to comply with the new laws of the land. Today, Native Americans makeup only 2 percent of the rural population, yet 39 percent of all Native Americans live on designated Indian reservations in rural areas. Moreover, their living conditions are inadequate and overcrowded, and they suffer from high unemployment and persistent poverty (Gonzales, 2003).

Economic Factors

For rural America, farming has been a traditional source of economic activity. In accordance with the Jeffersonian ideas on agrarianism, particularly after the American Revolution and before the beginning of the Civil War, agriculture was considered a central economic resource, not just in rural America, but in the American economy as a whole (Danbom, 1995). Farming as an occupation was encouraged during this period by the government and farmers were highly regarded in social, political, and economic circles. In addition, the agricultural trade spurred economic growth in related industries such as flour mills, meat packing, and hide tanning, contributing to the onset of industrialization (Danbom, 1995). This growth was the magnet drawing the in-migration of low-wage minority labor pool into these regions.

The first two decades of the 20th century, ushered in the most productive and prosperous years for agriculture. Enhanced by new technology, new innovations, high demand and government support, farmers increased their yields and profits while at the same time, decreasing the physical labor needed to produce successful crops (US State Department,). Moreover, growing cities were attracting rural people searching for better job opportunities and more amenities; thus, farming as a profession was becoming a much smaller share of the labor market. In 1880, farmers made up 49 percent of the labor force; by 1920, farmers were only 27 percent of the labor force (ERS, n.d.). While the number of farms continued to decrease as time passed, the size of those remaining grew larger and became more specialized (Buttel, 2003).

Although farming was a major economic resource, other trades also played important roles in rural economies. The availability and seemingly endless amount of natural resources attracted an array of businesses that helped expand economic activities in rural regions (McGranahan, 2003). Known as extraction industries because they remove natural resources from the land, these occupations, which include mining and forestry, also experienced their highest employment and productivity during the early 1900s (Freudberg, 1992). Yet, because of the diversity in the growth and economic stability of the various enterprises and their distinct geographic locations, each industry has responded differently to the influence of exogenous factors (Weber, 1995). By the 1970s, many of the extraction industries in rural areas, first experienced a short growth period, but then began facing a decrease in stability and productivity. Several factors contributed to the changing rural economy: emerging global markets, the depletion of nonrenewable natural resources, environmental concerns and the national economy (Weber, 1995, Freshwater, 2000).

As jobs in the extraction industry began to decline, the development of blue-collar factory jobs in many rural communities began to increase. Companies looking for cheaper land and labor costs sought out rural areas that were anxious to bring in new businesses. In 1970, 20 percent of rural employment was attributed to manufacturing jobs (Henderson and Weiler, 2004). However, because of the increasing effects of factors, such as globalization and international trade competition, by 2000, manufacturing jobs had decreased to 15.3 percent of rural employment regions (Henderson and Weiler, 2004). The loss of manufacturing jobs due to factories relocating overseas, again, looking for less expensive land and labor, had once more changed the economic situation in many rural.

In response to declining markets, some areas looking to become more economically viable, have begun utilizing natural amenities, such as lakes, mountains, and local specialties to develop new enterprises including retirement and vacation venues. Still other rural communities have taken advantage of the growth in the service industry and created jobs through telemarketing and reservation centers (Tarmann, 2003). Prison construction and the establishment of casinos have also recently emerged as growing businesses in rural areas. The economic development that occurs with prisons has led the site selection process for these institutions to become a competitive practice in many regions. Furthermore, the prison inmates are counted in the area population and therefore, generate state funds for the counties in terms of per capita distribution (Tarmann, 2003). The disadvantages of many of these new economic activities are low-wages, part-time and seasonal work, and few or no benefits. Today, because of the various stages of growth and development in rural areas, the economic activity across rural America is highly diverse (McGranahan, 2003).

Political Factors

Public policy has significantly influenced the direction of development in rural America. Historically, rural policy has reflected the dominating philosophy of a particular period. As a result, rural policy and programs were enacted according to how the government viewed the value of rural resources at a given time. Castle (1993) identifies three specific time periods in history that were instrumental in shaping rural policy today. The first cycle began in 1776 and ended in 1900. Policies that encouraged economic opportunities and land ownership in rural America dominated this era. Thomas Jefferson had envisioned the United States as a nation of farms and small business with limited government involvement. One of the most important pieces of legislation to be enacted during this period was the Homestead Act of 1862. This Act granted U.S. citizens parcels of land at a minimum cost if they would adhere to a small number of requirements over the course of five years. It was designed to facilitate population and economic growth in the new territory. Government at all levels engaged in projects that supported the dominant philosophy of this era. Transportation infrastructure was developed, including roads, railroads, and canals, and trade polices were established to encourage and expand the exportation of agricultural goods (Danbom, 1995).

The second period Castle (1992) acknowledged is between 1900 and 1932. This era saw the value of natural resource conservation brought to the forefront. Although still concerned with rural development, policy direction shifted away from land acquisition and expansion and began to concentrate on the potential economic value and future use of the available natural resources. To further explore these issues, the Forest Service was created in 1906 and the United States Bureau of Mines was created in 1910.

The final era identified by Castle (1992) began with the Great Depression and is distinguished by the direct participation of the government in the economy. Because of the severity of the stock market crash and the instability of the American economy, the government, for the first time, became more involved and provided greater assistance to the American people in an effort to improve their living situations. Introduced as part of the New Deal, programs and policies were instituted that "supported agricultural commodity prices, provided rural credit, and encouraged resource conservation and development" (Castle, 1992, p.15). These policies had a direct effect on economic development in rural areas and continue to do so today.

As we moved further into the 20th Century, and proceeded to the 1960s and 1970s, growing environmental concerns about the depletion of nonrenewable resources and the pollution effects from the use of some of the extracted minerals affected the direction of public policy in rural areas where much of the federal support for economic development was still in agriculture. In addition, a transfer of responsibility from federal to state government concerning rural issues began to take place in the 1980s with the Reagan Administration trying to limit government involvement again. Although the responsibility became the control of state and local governments, reductions were also made in resource allocations; thus, providing less financial support to lower governments to carry out the responsibilities of improving rural situations (Brown and Swanson, 1995). Furthermore, after 60 years of federal farm policy favoring price supports and supply management for farmers, the nature of assistance to farmers shifted through the passage of the 1996 Farm Act that ultimately transferred more of the financial risk directly to farmers making them even more vulnerable (ERS, n.d.).

Current strategies for rural development have usually taken the macro approach using blanket policies which are not designed to address the diversity between communities, thus making them inadequate and inefficient (Stauber, 2001). In order to maximize available assets and resources to the greatest benefit in these regions, policy initiatives could be more effective if they were directed at regional and local levels.

Summary

Demographic, economic, and political factors have traditionally contributed to the increasingly diverse rural landscape. The variation in land, resources, economic activity and population that comprise rural areas make each community unique in their opportunities and needs. Future strategies to create and promote sustainable development in rural America need to reflect these differences, and use them to encourage regional growth.

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