

Understanding the Drivers of Rural Development – How Can We Bridge the Gap Between Research and Policy?

Heather M. Stephens 
West Virginia University

2018 AAEA Annual Meeting
August 6, 2018

Motivation

- Despite the important research being conducted related to rural development
 - Policymaking rarely is based on the research
- How can we bridge this gap and help rural areas?
 - Especially the most distressed ones

A little bit of background about me

- My career began working in public policy
 - I worked for 5 years as a Legislative Assistant and Legislative Director for 2 U.S. Congressmen

- After getting an MBA, I eventually found my way to regional and local economic development
 - I worked on issues in rural areas in West Virginia, Wyoming, and Ohio
 - I also have experience with rural areas in California, North Carolina, and South Dakota

How this led to my current career

- In my final pre-PhD job,
 - I worked at a university-based institute at Ohio University
 - In my job, I served as an intermediary between university researchers, policymakers, and others
 - Our focus was on the rural, Appalachian Ohio region
- I have seen the needs in rural communities and the need for high-quality research and policymaking to address them
 - Thus, my PhD and my research agenda
 - And my interest in this issue

Land Grant Universities

- Play a major role in their states
 - Educating students
 - Conducting research
 - Providing extension services to their states
 - Serving as economic engines in their states and regions

- In 2015, the land grant universities and other public universities:¹
 - Enrolled 4.6 million students
 - Employed more than 645,000 faculty and over 1.8 million other staff and administrators
 - Received two-thirds of all federal research dollars, or more than \$34-billion annually

¹Source: Association of Public and Land-Grant Universities (APLU)

Rural Development Research

- Researchers (especially at Land Grant Universities)
 - Have produced a wealth of high-quality research related to the economic challenges facing rural areas

- Research generally is being done by those in disciplines like:
 - Agricultural or Resource Economics
 - Economics
 - Rural Sociology
 - Geography
 - and others...

Policy-Oriented Research

- Fortunately, much of the research being produced is focused on policy issues
- With some focused on informing policy-makers
- Ex: 2018 Special issue of Applied Economics Perspectives and Policy (AEPP) organized by the Council on Food, Agricultural and Resource Economics (C-FARE)
 - “Agricultural and Applied Economics Priorities for Solving Societal Challenges”
 - Goal: to inform government, industry, and professional associations about rural economics and the policy and research needs.
 - Among the articles is one focused on rural economic development (Goetz et al., 2018)

What has the research found (Goetz et al., 2018)?

- Current policies are not addressing the unique needs of rural areas
 - While many people equate agriculture with rural, the share of farm employment in rural areas declined from 15% in 1969 to 6% in 2015
- Increasing evidence that where people live affects poverty, mobility, and inequality (Chetty et al., 2014; Goetz et al., 2017)
- Reduced environmental protections will hurt resource producing regions long term if quality-of-life and natural amenities are degraded (Fan et al., 2016)
- Evidence that entrepreneurs can help support growth in rural, distressed regions (Rupasingha and Goetz, 2013; Stephens and Partridge, 2011; Stephens et al., 2013).
 - Policies to support entrepreneurship and small businesses can help communities grow from within.
- Many of the most distressed rural regions of the United States also suffer from low levels of labor force participation (LFP) (Stephens and Deskins, Forthcoming)
- Place-based policies and infrastructure can be effective.
 - For example, regional initiatives like ARC and the Delta Regional Authority (Busso et al., 2013; Sayago-Gomez et al. 2017)
 - But policy makers should make sure they have enough money!

What other research is needed (Goetz et al., 2018)?

- More research is needed to evaluate what works and to help policymakers develop potential new rural policies
 - Picking the winners and losers usually doesn't work
 - Need to understand why some communities are resilient and others are not (Han and Goetz, 2015)
- More research is needed to understand the role that location plays, including across the rural-urban spectrum and what policies may be effective (Goetz et al., 2015; Chetty et al., 2014)
- More research is needed to understand which types of entrepreneurs are most important and how to support them
- More research is needed to help distressed rural regions increase their labor force participation rate
- Data are needed to continue to evaluate future policies

Universities and Research

- The evaluation process values:
 - Research that has high impact and is published in more prestigious journals
 - More overall research publications
 - Getting funding for research
 - Funding is available for certain research – not always the research with the highest policy value

Policymakers

- Have to tackle a wide-range of issues
- Generally need information immediately
 - Meaning they usually cannot wait for new research
- It is easier to create one policy on an issue
 - However, the diversity of the U.S. and rural areas suggests one-size-fits-all policies won't work
 - Specifically, as per Goetz et al. (2018) there are three types of rural areas today:
 1. Metro-adjacent rural areas
 2. High-amenity rural areas
 3. Remote or extractive-based areas - these are the ones that have suffered the most economically
- Are always worried about re-election
 - This may affect their willingness to create good policies

So, where is the gap?

- Research is being published in academic journals
 - Policymakers do not read these journals

- Even when outreach materials are made available
 - They may not be on the hot issue of the day and are thus not useful
 - Research may not be available on the issues they need to know more about!

- Even when policymakers know about the research
 - The results of good policies may take a long time
 - And thus not pay off in terms of reelection

Bright Spots

- There are some efforts based at universities to bridge the gap

- Examples include:
 - The regional centers for rural development
 - Ex: NERCRD at Penn State University
 - Bureaus of economic analysis – focused on research related to policymaking
 - Ex: Bureau of Business and Economic Research (BBER) at West Virginia University
 - C. William Swank Program in Rural-Urban Policy at The Ohio State University

What else can we do?

- If one of the roles of land grant institutions is to help advance the economy of the states and the nation
 - We can make being part of the policymaking process something that is valued in our faculty evaluations

- We can work with policymakers to figure out what research is needed
 - Be proactive!

- We can help policymakers and agencies prioritize important policy research for funding

- We can use our role as educators and as extension specialists to help educate the public about the policymaking process and the need for good policies

What else can we do?

- What else do you think would help?

Final Thoughts

- The economic challenges in rural areas can seem overwhelming
- While more research is needed related to rural development
 - We already know a lot
- There is evidence that relatively small amounts of money and the right policies can help many communities transition to a path of longer term prosperity

Final Thoughts

- The challenge is translating this knowledge to good policymaking
- Land Grant Universities can play a leadership role in making this happen

Thank you!

heather.stephens@mail.wvu.edu