New Governance for Rural America

Radin, Beryl A.

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INTERGOVERNMENTAL RELATIONSHIPS and federalism are rarely the subject of press headlines in the United States. Yet the issues and problems that concern relationships between levels of government underpin much of what has been debated in American domestic policy during most of the twentieth century. While American political leaders conduct their debates around specific policy issues (such as welfare, education, or rural development), they are constantly grappling with broader dimensions of the institutional roles of federal, state or local governments.

It is obvious that federalism is an essential part of the American political culture; it is embedded in the structure of the U.S. political system and institutions, codified in its Constitution and legal framework, and integrated into its basic decision-making processes. But despite its close association with core American values, the concept of federalism is often unclear, cloaked with conflicting perspectives, and constantly changing. It is characterized by accusations about the appropriateness of roles of actors within the system. It is often a captive of the political philosophy that is predominant and, tied to changes in political power, swings back and forth between approaches that emphasize values of flexibility and autonomy of state or local actors and those that emphasize values of accountability for expenditure of federal dollars.

This chapter focuses on a variety of issues that stem from the relationships and behaviors between levels of governments and other actors in the American political system. It highlights the intergovernmental lens as an approach to understanding federalism in action; it reviews the legacy of problems that surround the relationships among these actors; it discusses an array of possible instrumentalities to deal with these problems; and it reviews developments in the current intergovernmental environment, particularly those around the new governance or reinventing government movement of the Clinton administration. Finally, the
general patterns in intergovernmental relationships are illustrated by focusing on the rural policy sector.

The Intergovernmental Lens

For many years, scholars of federalism emphasized two conceptual approaches to their study of relationships between levels of government: the legal or structural approach and the study of fiscal relationships between jurisdictions. The legal or structural approach concentrated on the constitutional system of shared and separate powers defined by type of institution as well as level of government and the allocation of formal responsibilities and authorities within that system. The study of fiscal relationships focused on the allocation of taxing responsibilities and the patterns of transferring funds from one level of government to another.

As Deil Wright has noted, from the New Deal on, public officials and scholars have used the term intergovernmental relations to describe another conceptual approach to the study of relationships between governments. This approach focuses on the activities or interactions between governmental units of all types and levels within the United States (Wright, 1988, p. 12). Several elements emerge from this approach: an inclusive approach to define governmental units, an assessment of the actions and attitudes of officials, the modes of regular interaction among officials, and the relationship between policy issues and these relationships. Wright comments that this approach "makes visible the varied colors, terrain, and patterns on the political landscape that were previously obscured" (Wright, 1988, p. 39). Robert Agranoff has argued that it is now common for scholars and practitioners to focus on intergovernmental relationships because nations are increasingly managing the interdependencies between their units of government (Agranoff, 1992).

But despite the widespread use of this term, there is not agreement within the field nor conceptual clarity about what it means. The term is frequently used interchangeably with others; Wright notes that many authors do not feel the need to define it or to distinguish it from federalism, new federalism, cooperative federalism, and similar terms. (Wright, 1988, p. 13; Stewart, 1982).

There are several reasons for this conceptual messiness. Although most students of federalism in the United States will agree that fragmented powers are a point of departure for understanding the Ameri-
can system, they differ in the conceptual model that may be used to “map” the relationships between the national (usually called federal), state, and local levels of government. Deil Wright (1988) has noted that there are at least three models that have been used to describe these relationships (see Figure 1.1). The inclusive authority model assumes that the national government plays the superior role and will control dealings with other levels of government. The coordinate authority model emphasizes the autonomy of states; local governments are viewed as total creatures of the state and the national government’s dealings with the state assumes that both parties are separate and distinct. The overlapping authority model, by contrast, conveys several messages: many areas of policy require national, state, and local involvement; the areas of autonomy and discretion for any single jurisdiction are limited; and levels of governments require bargaining and negotiation to obtain adequate power and influence to carry out programs (Hanf, 1978; Agranoff, 1990).

Some have argued that use of these models changes over time; that is, that one or another more accurately defines relationships between levels of government during a particular era. Others have noted that the choice of one of these models represents a particular set of policy or political interests. For example, it is most common for the National Governors’ Association (NGA) to approach issues from the perspective of the coordinate authority model because that model protects the autonomy of state governments. Others seeking national responsibility for a

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Figure 1.1. Models of National, State, and Local Relationships (Wright, 1988, p. 40).
policy issue (such as Social Security) would argue for a variation on the inclusive authority model.

Similarly, there are different substantive approaches to the study of relationships between governments that contribute to the lack of conceptual clarity in this field. A structural approach to the topic would emphasize the formal lines of authority that separate or relate one level of government to another. This approach might concentrate on formal methods of delegation of power, hierarchical lines of authority, and methods of defining and stipulating specific prerogatives of particular jurisdictions. Those who lead with this approach often argue for clarity in relationships between governments, searching for neat definition of roles and responsibilities. If conflict occurred between governments, then a mechanism would be put into operation (such as the Supreme Court) to determine who would be the clear winner or loser in the situation.

By contrast, a behavioral approach to intergovernmental relationships would emphasize the processes of decision making and the relationships that develop between participants in the process. This approach would deemphasize the “hat” that a particular player would wear and, instead, would concentrate on the imperative of coming to a decision. This approach tends to accentuate mechanisms such as coordination to facilitate decision making.

The third substantive approach focuses on the development of relationships between government in terms of specific policy issues. It does not search for consistency across policy areas but, instead, conducts the search for solutions in terms that engage only the specialized interests and concerns related to the issue at hand. This approach results in what is often called “picket fence” federalism (a term coined by former North Carolina governor Terry Sanford), defined by Wright as a set of separate alliances “between like-minded program specialists or professionals, regardless of the level of government in which they serve” (Wright, 1988, p. 83). These alliances cross institutional lines as well as levels of government; at the national level, they have produced what have been called “iron triangles”—relationships between three sets of actors around a particular program or policy area: interest groups, congressional committees and subcommittees, and career bureaucrats (see Figure 1.2).

Actors within the intergovernmental system tend to choose an approach that best reflects their particular interests. Interest groups that
represent particular jurisdictions (such as the National Governors' Association, the National League of Cities, the National Association of Counties) might emphasize the structural approach because of their interest in protecting their authority and autonomy. And differences are often found between actors that operate at the state and local levels. Politicians who attempt to reach a decision or address a problem are likely to be open to information and participation by actors if they are able to provide useful information or speak for constituent interests. Policy specialists emphasize professional values and are most likely to engage in the debate in technical terms and speak to those who share their worldview.

Given this cacophony of interests and approaches, it is not surprising that the debate around intergovernmental relations has been both unstable and conflictual. The instrumentalities that have been used to develop relationships between levels of government reflect social expectations that produce diverse and often conflicting goals. The strategies that have been employed have had difficulty addressing interdependencies between issues and actors. Rather than providing a way for federalism to function as a mediating institution within a diverse society with multiple and conflicting interests (Elazar, 1987, pp. 195–96), these approaches to federalism have produced what the founding fathers intended. They tend to exacerbate the fragmentation of the American political system, to exclude rather than include interested parties, and to minimize opportunities for cooperation or collaboration across jurisdictions or policy systems.

Over the past decade, however, another approach has developed around intergovernmental relations that emphasizes the importance of
bargaining, negotiation, and networking as essential processes of decision making rather than traditional hierarchical command and control approaches or formal structures as venues for decision making. This approach flows from the overlapping authority model and highlights a movement away from a “sorting-out” of intergovernmental roles to an interdependent approach. It focuses on the development of interorganizational networks that include both governmental and nongovernmental actors and proceeds along a path that includes the acceptance of the independent and separate character of the various members, avoidance of superior–subordinate relationships, interfacing of political and career actors, inclusion of appropriate specialists when needed to focus on technical issues, and agreement to abide by tasks and goals (Agranoff, 1986).

This approach includes both the process and substantive nature of contemporary issues. It suggests that different processes must be used to reach decisions. But it also draws on the policy notion of issue networks. This concept, developed by Hugh Heclo, is viewed as a “web” of largely autonomous participants with variable degrees of mutual commitment or dependence on each other. Heclo focuses on the hybrid interests which provoke such alliances. He notes:

With more public policies, more groups are being mobilized and there are more complex relationships among them. Since very few policies seem to drop off the public agenda as more are added, congestion among those interested in various issues grows, the chances for accidental collisions increase, and the interaction tends to take on a distinctive group-life of its own in the Washington community. (Heclo, 1979, p. 102)

The networks, according to Heclo,

comprise a large number of participants, with quite variable degrees of mutual commitment or of independence on others in their environment; in fact, it is almost impossible to say where a network leaves off and the environment begins. . . . Participants move in and out of the network constantly. Rather than groups united in dominance over a program, no one, as far as one can tell, is in control of the policies and issues. . . . Network members reinforce each other’s sense of issues as their interests, rather than (as standard political or economic models would have it) interests defining positions on issues. (p. 102)

The issue network approach provides a way to include various interests in a process, cutting both horizontally (across multiple issues) as
well as vertically (down the intergovernmental chain). It also establishes a framework that is responsive to the transient nature of policy coalitions, with various networks established for a particular situation but dissolved when that situation changes. Unlike the changes that have been unsuccessfully attempted through structural solutions, the issue network appears attractive as an alternative path.

While this approach has intrigued intergovernmental scholars, it has not been used extensively in the world of practice. Intergovernmental dialogue continues to be characterized by a focus on separate programs, policies, or organizations and a search for clarity and simplicity in the delineation of roles and responsibilities. The debate around intergovernmental issues has been waged at two often contradictory levels: a general, macro and sometimes symbolic approach and, sometimes at the same time, a specific policy approach. Both, however, reflect the high political stakes that are frequently involved in the determination of lines of authority as well as allocation of resources. As a result, the intergovernmental terrain has been subject to constant uprooting that reflects the ideology and political agenda of the party and officials in power.

The Nature of Intergovernmental Problems

During the past three decades there have been two major issues in the intergovernmental debate in the United States: autonomy versus control and collaboration versus competition. These areas of debate have occurred at various levels of government; they have affected the relationships between the federal government and states, states and localities, and the federal government and localities.

Each of these two areas has sparked predictable questions. The autonomy versus control debate asks two main questions that involve the vertical relationships between levels of government: to what extent should higher levels of government empower lower levels then get out of the way so that they can get their jobs done? And to what extent should the payer of the piper call the tune? There is no simple answer to these questions. Over time federal and state legislators and executive branch officials have found it more workable to maintain the tether of financial and programmatic constraints than to let it go. Likewise, it isn’t easy to answer the question about the relationship between funding and requirements.

The answer to this query depends on where one sits and which politi-
cal philosophy is predominant. A federal official might be expected to say, “Use federal funds to implement federally created programs and expect to be accountable to us about the way funds are spent.” By contrast, a state-level counterpart might say, “Just give us the money and we’ll respond to the needs of our citizens, not to the perceptions that are popular inside the beltway.” The problem is one of degree: how much autonomy and how much control? That there must be some level of control (some might call it accountability) of states receiving federal funds or cities or counties receiving state funds is not in dispute. But there is dispute about the extent to which that accountability gives the higher level of government the right to tell those at lower levels what to do in every instance. In recent times, the issue has been defined as a problem of unfunded mandates; state and local officials argue that they have been required by the federal government to adopt particular policy and program directions without federal resources. The angst about this conflict is felt in Washington as well as in statehouses, county courthouses, and city halls throughout the country.

The second element of the debate is focused on behavioral rather than structural questions. It also centers on the horizontal dimension of intergovernmental relations. Is interagency coordination more than a rhetorical device? Is it really possible to devise effective working relationships among agencies? Can agencies in the same business, but that compete for budget dollars and legislative and executive attention, engage in collaborative problem solving? Can they find ways to effectively manage their differences and produce wise agreements that advance the interests of the constituencies they are intended to serve? Intragovernmental collaboration is as vexing a problem as is the paver-tune issue. Taken together, empoweringpipers, and expecting them to play together seems contradictory, but without true empowerment the intergovernmental tune will continue to be discordant and much too piercing.

A Historical Analysis

Prior to the Civil War, as Walker (1981; 1995) observes, the states were much more active than the federal government in areas such as economic development. The federal approach was “hands-off,” thus the pendulum was virtually at rest on the autonomy side of the ledger. Dual federalism, connoting a distinct separation among the functions and
responsibilities of the levels of government, was the operative model through the early 1930s. The assumption was that the powers of federal, state, and local officials were mutually exclusive. Moreover, as Wright argues (1988), the search for the boundaries of these powers was played out in an environment of competition and conflict. The federalism metaphor for this era was "layer cake federalism." The term signified the separations among the institutions and functions of the three levels of government. The functional role of the national government grew in the latter part of this dual federalism period. Most significantly, the federal government moved away from its laissez-faire role in economic development to a much more active role as regulator of the economic system. Concurrently, the state and local governments retained important functions such as education, public welfare, and public hospitals.

The growth of federal grants to state and local government also signaled a change in intergovernmental relationships. By 1930, fifteen federal grant programs were in place, indicating the transition to a more cooperative period. According to Wright (1988), it was during this time (the 1930s, 1940s, and early 1950s) that "complementary and supportive relationships [among intergovernmental actors] were most prominent and had high political significance" (p. 71).

Shared functions were characteristic of this phase, described by Morton Grodzins's popular "marble cake" metaphor. Grodzins (1961) argued that "no important function of government was the exclusive province of one of the levels, not even what may be regarded the most national of national functions, such as foreign relations; not even the most local of local functions, such as police protection and park maintenance" (p. 8).

The influence of the federal government expanded considerably during this period as it took on new roles of regulator, reformer, and promoter of the economy. The states, however, were not wholly dominated by the federal government, even given the substantial strings attached to conditional federal grants-in-aid. Indeed, as Wright (1988) points out, there is much evidence to support the notion that this period saw a strengthening of the capacity of state governments to respond more effectively to the needs of their citizens. The state role was not simply that of compliant recipient of federal funds. States emerged as partners with the federal government in the American system of governance. Collaboration, cooperation, and mutual assistance characterized the behavior of participants in the intergovernmental arena during this time.
Due to the continued growth of federal grants to states and localities, the intergovernmental field witnessed a functional concentration of interests that began in the 1940s and continues today. For example, public administrators and policymakers concentrate on the separate dimensions of program areas such as housing, health, education, and welfare. To be sure, these are broad policy areas in their own right, but the connections among them began to become blurred. Collaboration and cooperation gave way to competition and duplication in both the vertical and horizontal dimensions of intergovernmental relations. Administrative rules and regulations grew exponentially. Control became much more important than autonomy to those granting the funds—at both the state and federal levels. Concern with reporting requirements and compliance with regulations began to drive programs and color intergovernmental relationships. Professionalization and the growth in size of the federal bureaucracy with a programmatic and functional emphasis corresponded to the grant fields. More importantly, it resulted in the establishment of vertical functional autocracies—concentration of interests—at all levels of government advocating for programs and the special interests the program supported. Wright (1988) uses the “water tap” metaphor to describe this concentrated phase of intergovernmental relations. Federal funds, he says, flowed in narrow streams to the state and local level and “the interconnectedness and interdependency of national/state/local relations were confirmed and solidified” (p. 74). In some cases, funds actually bypass states and go directly from the federal level to local agencies.

As in the immediately preceding phase of intergovernmental relations, states were partners, not simply conduits for federal funds. They retained their own functions and made their own grants to local entities. The fact is, however, that the state role vis-à-vis the federal government was weakened by the programmatic approach characteristic of this period. According to Walker (1981), the effects of the expansion and activism of federal government activities resulted in a concentration of political forces in support of specific grant programs and put relatively more power in the hands of those who turned on the spigots than those who drank from the trough. The same can be said of the relationship between local and state governments.

President Lyndon Johnson himself used the term “Creative Federalism” to illustrate his administration’s approach to intergovernmental relations—an approach that included new intergovernmental tools
such as planning requirements attached to federal grants, project grants, and citizen participation requirements. It was during the Johnson administration that the trend toward the functional concentration of interests solidified. The federal government began to require the submission and approval of plans by state agencies prior to the receipt of grant funds. Many states complained that these requirements were far from creative and were instead unnecessarily burdensome. Grant recipients argued that they resulted in the submission of bureaucratic compliance documents rather than meaningful plans. Project grants also required the submission of extensive documents—proposals that had to be approved prior to the awarding of funds. Project grants, according to Wright (1988), “place far greater discretion in the hands of grant administrators than do formula grants, in which statutory or administrative formulas determine recipient entitlements” (p. 78). The citizen participation requirements also limited the discretion of grant recipients to act without consulting clients about such matters as operational and administrative decisions.

Project grants gave recipients the opportunity to design programs that met their own needs within the bounds of federal guidelines. However, many cities and states found themselves chasing federal dollars and playing grantsmanship games simply because the money was there. National goals related to the Great Society’s war on poverty took ascendancy as more and more federal funds were targeted to the urban disadvantaged. Private sector actors continued to be key players in the intergovernmental arena and, in some areas, complicated relationships between the federal government and the states. The activist role of the federal government flowered and its power relative to the states grew as both states and localities became more dependent on federal funds.

During the 1960s and 1970s there was also a renewal of antagonistic and adversarial intergovernmental relationships. Participants perceived the period to be one of disagreement, tension, and rivalry. This was also the period characterized by the “picket fence” metaphor. In the early part of this period, vertical programmatic linkages strengthened and resulted in increasing competition among functional areas. The players in this competition included public policymakers and administrators as well as representatives of major public interest groups. Each programmatic picket in the intergovernmental fence (such as highways, welfare, health, and agriculture) represents an interest based alliance in competition with others. While the pickets represent vertical functional
alliances, they do not represent a hierarchical dominance of the federal government over the states. Indeed, tension heightened over federal strings attached to grant-in-aid monies. In addition, different forms of horizontal linkages have occurred in the picket fence relationships; many have bypassed general-purpose elected officials and have, instead, created linkages between federal, state, and local specialists that fan conflict between those individuals and general-purpose elected officials.

In addition, the tension was accompanied by a strengthening of the states' resolve not to become fiscal wards of the federal government. Bargaining and negotiation over grant terms and conditions became the norm. States found that they had more latitude in the implementation of federal programs than many thought they did. As Wright (1988) explains, "National administrators of grant programs rarely control or 'order' their like-minded state counterparts to make (or not make) a specific decision. The more likely course of action is to debate, discuss, deliberate, and negotiate a course of action" (p. 84). Devolution and decentralization were the order of the day under President Nixon with a resulting shift, albeit a slight one, of intergovernmental power back to the state level. This in turn increased state-local tensions as localities found themselves caught in a double bind. Cities—which in fact are creatures of the states—became dependent upon federal grants-in-aid. This dependency created political tension between state and local governments, heightened by state-to-local mandates; mandates not accompanied by resources.

The phase of intergovernmental relations of the 1970s and 1980s is described as the Calculative Phase by Wright (1988). It, too, was a confrontational period described by Walker (1981) as overloaded and dysfunctional. The states continued to bargain and negotiate over grant terms and conditions, but the rules of the game were specified by the federal government. The states were still seen as partners in the intergovernmental process, but often as unwilling partners. Wright (1988) offers "facade federalism" as the metaphor to picture the period chiefly because in some circumstances "power has gravitated so heavily toward national officials that federalism, in its historic and legal sense, is nonexistent" (p. 98). One could say essentially the same with respect to state-local relationships.

It is against this backdrop that the intergovernmental dilemma is played out. On the one hand, the state concern is about federal mandates and programs that do not fit the nature of problems in particular
states. On the other hand, the federal concern is about accountability and performance. Federal officials are understandably uncomfortable with a no-strings-attached “dole” to the states. Each set of concerns is reasonable, given the realities of the two actors. The challenge to public officials at both levels is how to balance the two. This challenge is intensified by the diversity among the states.

The National Government and the States

State Diversity. To say that there is great variety among the fifty states is to state the obvious. All too often, however, “one size fits all” programs or policies are made in Washington and thrust upon the states. While there are legitimate pressures that push the federal government to this approach, the result often appears to be ludicrous. Too often, the federal expectation is what works in one state will work in another.

The differences between states relate to many elements—history, geography, topography, and demographics. As Glendenning and Reeves note, intergovernmental relations reflect “historical, cultural, legal, organizational, financial, political, and geographical settings. They may occur on both horizontal and vertical planes. Not only are the federal relationships of the national government and the states included, but so are the interstate, state-local, interlocal, and national-local relations” (1984, p. 13). But the diversity across states that relates to intergovernmental relationships involving rural issues can be seen in variations in factors such as governmental structure, political culture, and capacity to identify and deal with the problems of citizens.

Governamental Structure. Governors’ offices (and executive branch agencies) in the states are vehicles for the debate about many domestic issues. These formal institutions of government are constrained by a number of factors, the most important of which is the state legislature. States vary in terms of these relationships. Iowa, for example, has a structure characterized by a strong governor and a weaker legislature. North Carolina’s legislature, by contrast, is clearly the stronger of the two institutions. A tradition of shared power between the governor and the legislature is found in a number of states. Other states have relatively weak governors and, concurrently, legislatures that historically have been less than active.
Political Culture. Institutional conflict between the legislature and the governor in a number of states has been exacerbated by political conflict. Divided government has become the reality in many states and one-party control of state government is fast becoming a relic of the past. In some states, it has been possible to develop bipartisan agreements involving issues. Others have partisan conflict related to racial politics. During the past decade, many states have experienced budget crises, which have led to an increase in the role of the legislature and significant budget battles between the governor and the legislature.

Capacity. States vary in their ability to develop programs, policies and strategies in many policy areas. Depending on the issue, there may be complex policy and political responses. Many issues are imbedded in larger discussions of economic or community development and involve debates about the appropriate strategy for change (e.g., whether interventions should be targeted on the state as a whole, on specific sectors, or characterized as a responsibility of the state government or local communities). Many issues are debated not in their substantive form but in the guise of tax and fiscal policies. The capacity of states to respond to the problems of their citizens is a function of technical expertise and knowledge, but in large part it is also a function of political will. Administrative capacity to attend to the problems of citizens also varies across the nation. Many states are faced with institutional systems characterized by fragmented authority. Few states have a single agency with all the authority necessary to meet the development needs of their citizens.

Instruments of Intergovernmental Relations

The interdependence among levels of government in the American system and the persistence of the control/autonomy and collaboration/competition dilemmas means that it is increasingly necessary to focus attention on the instruments or tools of intergovernmental relations. Given the complexity of these linkages it is essential that an array of instruments be used to fashion the most effective working relationships among intergovernmental actors. Four broad categories of instruments are of particular interest: structural, programmatic, research and capacity building, and behavioral. None of these categories of intergovernmental tools or instruments is a panacea. Intergovernmental actors
must look at issues from a number of different perspectives simultaneously. Structural, programmatic, educational, and behavioral approaches each are appropriate under the right set of circumstances.

Structural Instruments

Structural matters focus on the ways that bureaucracies operate and have to do with formal roles and relationships; patterns of authority and leadership; rules, policies, and regulations; and mechanisms for differentiation and integration of formal roles, tasks, and relationships.

Reorganization. Formal roles and relationships are shaped and reshaped in the design and redesign of organizations. Patterns of authority and leadership are disrupted and reestablished. Redesign, or reorganization, is a tool frequently employed in government as a means of responding to changing needs and priorities. Reorganizations can bring together programs that seem to be related, thus affecting horizontal intergovernmental relationships. However, reorganizations cannot settle issues related to conflict between levels of government. Reorganization can be approached on a grand scale (as was the case with President Nixon’s Ash Commission, charged with studying the organization of the federal government) or on a more incremental base (as was the case with President Carter’s Reorganization Project in the Office of Management and Budget). As Radin and Hawley (1988) point out, the Ash proposals sought to create mega-departments, assuming that these centralized bodies would improve the efficiency of government operations and service delivery. These proposals never had the support of Congress and were not adopted. By contrast, President Carter was more successful in his reorganization attempts, particularly the effort to create the Department of Education. Among other things, Carter’s reorganization was undertaken to achieve better coordination of federal education programs that had been scattered across the federal government.

Some state-level reorganizations have been spawned by federal incentives. In the 1970s, several states created departments of behavioral health or departments of substance abuse, believing that they would be in a better position to take advantage of federal grant funds targeted at comprehensive approaches to those issues. Similar reorganization efforts were undertaken by local governments.
Coordination. Coordination and efficiency are the bywords of the structural approach. Coordinating mechanisms are tools for structural integration; the integration of units differentiated by function or level or geography. Implicit in attempts at reorganization, in fact, is the assumption that increased coordination and efficiency will make it easier to manage both horizontal and vertical intergovernmental relationships. While it is disputed whether this actually occurs, proponents of this approach make such an argument.

In practice, coordination is often transparent. It is easy to say it is being done, but its tangible products are illusive. While interagency coordination has costs, it does not necessarily require new appropriations, or identifiable budgetary line items. Unlike reorganization, coordination doesn’t run the risk of alienating political constituencies, and it is difficult for one to argue that coordination is unnecessary or seriously detrimental to major interests. Applied properly as intergovernmental tools, formal mechanisms of interagency coordination can strengthen horizontal relationships. At the same time they can both strengthen a higher level of government’s capacity to hold lower levels responsible for program performance and empower actors at those lower levels so that they can improve performance.

Deregulation. Rules, policies, and regulations are instruments for controlling intergovernmental relationships by increasing control and decreasing autonomy. Consequently, deregulation swings the pendulum in the other direction. Mandates are impediments imposed on lower intergovernmental actors from above through regulatory mechanisms. Mandates are removed through deregulation and are relaxed or removed through ad hoc experiments such as waiver procedures or regulatory negotiation.

Devolution and Decentralization. These are structural tools with which the federal government may delegate power to the states or states may delegate power to local governments. When used, then, devolution and/or decentralization has the ability to shift the pendulum toward autonomy. President Nixon’s New Federalism was an attempt at devolution and a reaction to many of the centralizing tenets of Johnson’s Creative Federalism. According to Walker (1981), it supported

greater decentralization within the federal departments to their field units; a devolution of more power and greater discretion to recipient units; a
streamlining of the service delivery system generally; a definite preferring of general governments and their elected officials; and some sorting out of some servicing responsibilities by governmental levels. (p. 105)

Devolution took the form of general and special revenue sharing and attempts by President Nixon to impound federal funds as a way to eliminate program resources. Proponents of devolution are quite willing to trade control by the federal government for discretion on the part of state and local officials.

Decentralization has been employed in much the same manner by some states in an effort to manage intergovernmental relationships. Use of this tool involves passing authority (some would say, “the buck”) to local units of government. In some instances, when states are given federal mandates without resources, they simply pass the mandates on to local government. This coping mechanism shifts the burden of the intergovernmental dilemma but it clearly doesn’t solve it.

Regulation and Oversight. Regulation is itself a structural intergovernmental tool, even though the degree to which the federal government exercises oversight with respect to its state and local grantees is, in part, a political/ideological matter. In the Nixon, Reagan, and Bush years, for example, the operative ideology was minimal federal involvement and maximum state and local responsibility. Block grants and revenue sharing carry fewer strings than conditional grants. In addition, they do not tend to build the type of strong political constituencies found in categorical programs.

Oversight can occur at the input, process, or output side of programs. Input requirements generally specify the form and elements of the program design, leaving little discretion for the program implementor. Process requirements include elements such as citizen participation or planning requirements that are built in to ensure accountability. Output (or impact or performance) requirements tend to rely on evaluation as an accountability tool.

Evaluation requirements are either imposed by legislative or administrative mandate. Depending on where one sits, evaluation can be looked at as a management tool necessary for intelligent decision making or as an unwarranted intrusion on management discretion. Evaluation requirements are often used to assure that grant recipients are able to justify the expenditure of funds. Not only are these requirements
built into programs, recipients are often required to pay for them with grant funds. However, evaluation can also facilitate additional autonomy on the part of state and local grantees. If evaluation is related to performance rather than input or process (that is, focuses on outcomes and program impacts), grantees may be given more discretion as to the way they produce those outcomes and impacts.

Process requirements can include citizen participation and planning approaches. Citizen participation requirements provide an opportunity for a form of accountability that is imposed early in the life of a program. While some may view them as a constraint, others view them as an opportunity to improve programs and avoid unnecessary conflict in their implementation. The idea of consulting with parties who will be affected by decisions is consistent with the general notion of empowerment; it empowers program clients as well as program operators.

Planning requirements can also be used as a form of process accountability. Like other requirements, they can be viewed as a set of constraints or as an effective instrument for intergovernmental management. Planning processes allow a jurisdiction to identify its current status, its goals, and its strategy for change. This requirement might stipulate that the process occur openly, with ample opportunity for input from those affected by plan implementation.

Programmatic Instruments

This second category of instrumentalities employed to deal with the intergovernmental dilemma involves the application of resources and redesign of programs and grant types. From the federal perspective, the intention has been to make it easier for states and localities to attack social and economic problems by providing them the resources to do so. In many instances, these resources have emerged as a result of lobbying by states and localities. While this approach was the most common response to newly identified problems, limited resources make it less commonly used today. Various grant forms—such as competitive project grants, formula grants, matching grants, and block grants—continue to be used.

The Shift toward Broader Purpose Grants. Highly specific categorical grants are the most restrictive but also the most targeted type of federal funding. These grant forms—particularly project grants—require potential
eligible recipients to submit applications under guidelines specified by federal grantor agencies. Depending on the area, states continue to have discretion in this process. In some cases, applications from local units of government (or the private sector) must be reviewed and receive favorable recommendations from state agencies prior to submission to the federal grantor. As a general matter, however, categorical grants are heavily weighted toward the federal control approach.

In the late 1960s and 1970s, efforts to reform federal aid resulted in the creation of general revenue sharing and several special revenue sharing or block grant programs. Block grants in law enforcement, employment and training, community development, and social services were enacted that strengthened the hand of state and local officials in their dealing with federal grantors. While these approaches appear to be fairly radical approaches to intergovernmental management, many observers believe that they resulted in rather incremental changes in the system.

**Partnerships.** As intergovernmental tools, partnerships generally involve setting priorities and providing incentives at higher levels of government and letting others take action to achieve them. It means less reliance on service delivery through public bureaucracies and more utilization of public-public or public-private partnerships. Partnerships involve federal, state, and local governments and the private sector in a variety of activities. While states and localities have traditionally been partners in the intergovernmental arena, this approach focuses on the creation of specific partnership forms in response to the tensions inherent in the intergovernmental arena. Osborne and Gaepler (1992) point out that under partnership schemes governments share or trade services or contract with one another for specific services. Additionally, information, ideas and other resources may be shared in partnerships. Creating partnerships involves reframing the intergovernmental dilemma at the federal level. Rather than focusing on the trade-off between control and autonomy, this approach attempts to assure some measure of control and, at the same time, do more to empower states and localities so that they can be full partners in the federal system.

**Collaborations.** Collaborations may involve the granting of federal funds in large awards to a set of state or local agencies conditioned upon their ability to work together and share resources. The Clinton
administration’s Pulling America’s Communities Together (PACT) is an effort that attempts to link community-based strategic planning and collaborative processes to address youth violence, using funds from several federal cabinet departments. Another example is a bid by the U.S. Department of Health and Human Services to promote state interagency efforts to reduce the impact of perinatal alcohol and other drug use on families. As noted by Jones and Hutchins (1993) this call for collaboration is based on a recognition that no single agency or system of services can effectively respond to the myriad needs presented by those in or at risk for alcohol and other drug dependency. They go on to say that the interagency collaboration envisioned “requires partners to relinquish total control of resources in favor of the group process. Resources are pooled while consortia members jointly plan, implement, and evaluate new services and procedures” (p. 26). This programmatic approach overlaps with structural instruments in that it indicates a recognition by federal, state, and local officials that old structures must give way to new ones if intergovernmental problems are to be solved.

**Research and Capacity Building Instruments**

The third category of intergovernmental instruments involves, in today’s jargon, “empowerment.” Implicit in this empowerment notion is the idea that steps may have to be taken to build increased management capacity at all levels if empowering is to have a chance of succeeding. So empowerment is an empty exercise if it does not also include the tools the newly-empowered need to get the job done. Specific tools in this category include research, the collection, storage, and dissemination of information, and training and other forms of capacity building.

**Research.** Research is an indirect tool of intergovernmental management aimed at helping people understand problems and issues, options, and consequences. To the extent that public policy research is cross-cutting it can aid those promoting interagency coordination. To the extent that research produces useful knowledge which is in turn utilized below the federal level, it can increase the negotiating power, thus the autonomy, of state and local intergovernmental actors.

**The Provision of Information.** Federal and state governments often serve
as clearinghouses for those seeking information on just about anything. The federal government operates numerous information clearinghouses and some are accessible from personal computers. The precise impact of the opening of the information superhighway on intergovernmental relations is yet to be determined. It seems a safe bet, however, that more and better information will both improve interagency coordination and strengthen state and local discretion.

*Capacity Building.* This is one of the most widely used tools of intergovernmental management. Generally, it involves efforts by the federal or state governments to strengthen the capabilities of state or local officials to manage programs on their own. As Honadle (1981) notes, in the debate over mandates without money the fact that central governments provide substantial technical assistance to officials at lower levels, and that they have been doing so for some time is often overlooked. This assistance can be in the form of grants or contracts that provide for training and skill-building in the areas of program design, planning, and evaluation, to name just three. As a result of their emphasis on increased discretion for state and local government, the Nixon and Reagan brands of new federalism gave rise to serious concerns about management capacity at those levels.

There are two ways in which capacity building and the strengthening of state and local expertise in specific program areas are intergovernmental management tools. First, it makes sense for the grantor to ensure that grantees who are provided additional discretion have the skills and abilities necessary to manage the grants. Second, development of management skills facilitates compliance with federal grant requirements.

*Behavioral Instruments of Intergovernmental Relations*

The traditional view of the federal official's dilemma is whether to allow more or less autonomy or to impose more or less control. Control can be framed in a narrow fashion, holding grantees accountable for inputs and processes. However, looking at the situation through a wider lens suggests that the federal government should concentrate on performance, and autonomy means that grantees are empowered and given the tools they need to accomplish that performance. This broader view requires attention to individual and group processes of communication,
organizational development, strategic planning, and processes of conflict management (Cigler, 1990).

Conflict Management. No matter what metaphor is used to describe the intergovernmental system, there is evidence of conflict. The issue, then, is not to attempt to avoid or suppress conflict but, rather, to prevent unnecessary conflict and to manage conflict that does occur toward productive ends (Buntz and Radin, 1983).

Conflict prevention in an intergovernmental context calls for attention to building consensus among actors in particular programmatic or policy areas. Actors are urged to identify and overcome barriers such as the language and jargon of different program cultures and resistance to change among agency staff.

Conflict management might involve taking a negotiated approach to the promulgation of rules and regulations, as opposed to a “decide, announce, and defend” approach. For more than ten years, the Environmental Protection Agency has engaged in a process of negotiated rule making referred to as “reg-neg.” Regulatory negotiation involves affected parties and the agency in an orderly process of debate and discussion over proposed regulations. This consultative approach has produced environmental regulations acceptable to all. It has also enabled the EPA to move away from the decide, announce, and defend approach, which landed it in court more often than not.

Individual Communication. Closely connected to the consensus building/conflict management notion is the idea of improving communications between levels of government as a way to manage the control/autonomy dilemma. Effective intergovernmental relationships in an environment of resource scarcity and political uncertainty demand openness in interactions across governments. They demand federal officials who can listen, delegate, manage conflict, and build consensus. Barking out orders in a “command and control” method of communicating from federal to state and local levels is not viewed as an adequate way to manage intergovernmental relations.

Group Communication. Hearings are among the time-honored and formal means of group communication in policy development. Hearings provide a forum for representatives of groups in and outside of government to take positions and express their views. They also provide a
means for governmental actors to collect information and shape ideas that later become policy. Hearings can be traditional and formal or of the town meeting type. If one reframes the intergovernmental dilemma and looks at it as an opportunity rather than a problem, hearings can be another way to build consensus. If one looks at these issues in a narrow sense, hearings can be viewed as a way to exert federal influence. Federal officials come to town with trumpets blaring and flags unfurled; pomp and circumstance could replace substantive communications.

Organizational Development. Organizational development (OD) interventions such as team building, quality-of-work-life programs, total quality management, and the like are generally seen as intraorganizational tools. These and other OD interventions are employed as instruments of planned change by organizations seeking to strengthen management teams and improve organizational performance.

Organizational development interventions can also be employed, however, to strengthen intergovernmental management. Partnership efforts can be themselves instruments of planned change when they are intended to help federal and state actors sort out their roles and approaches. Intergovernmental management programs can also help strengthen the capacity of state and local governments to pursue their own interests while recognizing and integrating national concerns. In this way, intergovernmental relationships are improved and producing policy change. This set of instruments tends to fine-tune rather than fundamentally change interorganizational and intergovernmental systems.

Strategic Planning. Strategic planning is a way to clarify goals and priorities; it can be used across organizations as well as within them. It is a systematic way of relating an organization (or an organizational system) to its external environment. As such, strategic planning cuts across other behavioral instruments. Rainey and Wechsler (1989, p. 509) point out that conflict resolution, consensus building, and group decision and individual communication techniques are integral parts of strategic planning and strategic management activities.

Strategic planning involves a process of scanning the environment for threats and opportunities and then matching an organization’s distinctive competencies with those threats and opportunities. As with OD interventions, strategic planning can be undertaken within organizations or cooperatively by more than one organization. It is a cross-
cutting instrument that can draw together other instruments and enable actors to establish a vision for the future.

As an instrumentality of intergovernmental management, strategic planning can be used as a tool by intergovernmental actors to identify conflicts likely to arise, clarify the processes by which those conflicts will be managed, identify other issues facing the intergovernmental system, and formulate strategies for managing those issues. It can be used to drive improvements in working relationships among actors.

The Current Intergovernmental Environment

Given the relationship between intergovernmental issues and broader social and domestic policy concerns, it is not surprising that one finds a shift in approach and strategy to these items when governments change. Over the years, Democratic administrations have been more likely to emphasize the redistributive role played by the federal government and to assume a relatively activist approach to the role of government. They have been less likely to trust the good graces of state and local officials and to emphasize oversight and control. Republicans, particularly over the decade of the 1980s, sought to diminish the role of the federal government and to assume that most problems were best solved by private rather than public institutions. This approach is evident in the emergence of the Republican majorities in the 1994 Congressional election and the Contract with America. In addition, the anger in some of the western states at the federal government over public lands also illustrates this mind-set.

Presidential leadership in domestic policy since 1976 illustrates these differences. Jimmy Carter, a former governor, sought to maintain an activist role of the federal government (particularly involving civil rights issues) even though he gave rhetorical attention to the concerns of governors. The pendulum swung dramatically in 1980, however, with the Reagan administration’s attempt to dismantle the domestic policy role of the federal government and, instead, to turn authority back to states with greatly diminished federal resources. Congressional opposition to many of these measures stopped the White House from achieving its dismantling goals. This pattern continued during the Bush administration, although the ideological edge to the debate between the two ends of Pennsylvania Avenue was largely avoided.
To some degree, Bill Clinton approaches intergovernmental relationships somewhat similarly to Carter. A former governor, past NGA chairman, and longtime advocate of the ability of states to solve problems, Clinton appears to be comfortable with policies that allow states to put their own imprint on the implementation of national policies. While he accepts a more activist federal government than his immediate predecessors, his administration has been receptive (some would say encouraging) to proposals by governors and states to implement policies in their own way. Much of this has been done through waiver authority in a number of policy areas (particularly in welfare and Medicaid).

Clinton has also embraced the notion of change and “reinventing government,” articulated by David Osborne and Ted Gaebler in their 1992 best-seller (Galston and Tibbetts, 1994). While arguing that they believe in government and seek to address the citizen disillusionment that they see around them, Osborne and Gaebler draw on examples of what they view as success that draw heavily on private-sector models and minimize adherence to traditional accountability devices within government. The Clinton administration “spin” on these issues (best exemplified by the Gore National Performance Review) contains a similar critique of traditional ways of doing the government’s business.

Several patterns can be detected in the first two years of the Clinton administration. Perhaps the most visible approach was found in the overall Gore report, Creating a Government That Works Better and Costs Less: The Report of the National Performance Review, particularly as it commented on the overall dimensions of the intergovernmental system.

Virtually every expert with whom we spoke agreed that this system is fundamentally broken. No one argued for marginal or incremental change. Everyone wants dramatic change—state and local officials, federal managers, congressional staff. As it manages its own affairs, the federal government must shift the basic paradigm it uses in managing state and local affairs. It must stop holding programs accountable for process and begin holding them accountable for results. (1993, p. 47)

This approach focuses on the intergovernmental dilemma by adjusting degrees of control, changing the way that federal officials look at their relationships with state and local governments, and focusing their attention on performance rather than input. It appears that the Clinton administration is making conscious efforts to deal differently with offi-
cials at other levels of government. “Giving Customers a Voice—and a Choice” and “Empowering Employees to Get Results” are strategies within the report that involve elements of improving communication. The Gore Report’s six-step approach to cutting red tape includes empowering state and local governments. It argues that to “reinvent government” it is necessary to address intergovernmental relationships by giving state and local governments more control over programs and their own ability to produce results.

The supplemental report issued by the National Performance Review (NPR), “Strengthening the Partnership in Intergovernmental Service Delivery,” further defines this approach. It notes that the NPR’s broad goals—cutting red tape, putting customers first, empowering employees to get results, and cutting back to basics—cannot be achieved “without a new approach to intergovernmental partnership in delivery services to the public.” It also argues that a well-functioning intergovernmental system “is central to Americans’ quality of life and Washington’s ability to pursue a domestic policy agenda.” The recommendations included in this report continue some of the agenda items of earlier presidents—regulatory and mandate relief, grant consolidation, and elimination of paperwork and procurement requirements.

At the same time, however, the report calls for active facilitation of interdepartmental and intergovernmental collaboration. It notes:

Partnership should be the hallmark of the proposal — between the federal and lower levels of government, and among and between the public, private, and private non-profit sectors at the service delivery level. . . . At the same time, legitimate federal interests must be protected and compliance with broad cross-cutting regulations (equal employment opportunity, worker health and safety, for example) ensured.

Among the mechanisms proposed to achieve these goals is the Clinton administration’s cabinet-level Community Enterprise Board, chaired by the vice president and established to oversee new initiatives in community empowerment. According to the NPR report, “The Board would lead the federal government in a new effort to improve the coordination and integration of major domestic program service delivery initiatives. This board will be committed to solutions based on ‘bottom-up’ initiatives.”

Both of these reports reflect Clinton’s own personal commitment to inclusion of multiple players in a policy debate and an aversion to the
norms and practices of traditional political conflict. This personal style appears to encourage an approach that can be viewed as a subtext of the “reinventing government” agenda—the need for systems and strategies that encourage collaboration beyond the same old players. This style is reinforced by Clinton’s intellectual approach to issues and his conceptual challenge to reach for comprehensive policy changes.

Other Clinton predilections are found in policy issues such as the 1993 Forest Conference (often called the Timber Summit). This meeting pulled together the various actors concerned about the Pacific Northwest and northern California forests and, perhaps for the first time, sought to find ways to reconcile the competing adversaries. Three working groups were established immediately after the meeting to focus on forest management and economic development, and to focus on how federal government agencies could work together. The comprehensive strategy broadened the cast of participants as well as the dimensions of the issue and sought to establish venues that legitimated the involvement of business, labor, environmentalists, tribes, community groups, and members of Congress.

Clinton’s actions involving the 1993 Midwest flood relief also illustrate his strategy. The president, vice president, and members of the cabinet met with the affected governors in a face-to-face, televised meeting. That session allowed the cabinet to respond directly and publicly to governors’ concerns, report ongoing activity, and make promises about future action. To the governors’ surprise, one of the cabinet officials had checks ready to hand them for a significant portion of the flood relief monies for which they were eligible.

Both the health reform and welfare reform strategies are another illustration of Clinton’s game plan. Before either proposal was crafted, government task forces (drawn from a range of agencies) held meetings and hearings across the country, providing an opportunity for individuals who had relevant experience to make their views known. In some cases, these meetings provided a way for government officials to see as well as hear problems firsthand; in other instances individuals had an opportunity to submit proposals to address problems. In both instances, the process had both inclusion and collaborative aspects.

However, the changes that occurred in Washington in January 1995 suggest that Clinton’s national policy agenda will be subject to very different pressures than were experienced during the previous period. For some observers, the pendulum swing to the right moves the intergovern-
mental agenda away from Wright's overlapping authority model to a set of relationships that is more like the coordinate authority approach.

Rural Policy through the Intergovernmental Lens

Intergovernmental relationships involving rural policy illustrate the importance of both vertical and horizontal dimensions. Vertical relationships involve a range of configurations of federal, state, and local authority. But unlike a number of other domestic policy areas, until quite recently the traditional tension in the system has not been between federal and state governments, largely because federal efforts involving agriculture, natural resources, and some aspects of rural community development have bypassed general purpose state and local governments. Rather, the conflict has been between those who serve as advocates for agricultural interests and those who argue for a broader and more inclusive definition of "rural." Creation of horizontal relationships—relationships between separate programs and structures—has been of concern to federal policymakers, particularly since the Eisenhower era.

The history of rural policy in the United States parallels the development of agriculture policy through much of the nation's history. This story is tied to a number of specific areas, among them roads, research and development, and redistribution and equity.

Roads. Early in the nineteenth century, the rapid development of the frontier and the South created a need for new transportation facilities to link agricultural areas with existing markets (Osbourn, 1988a, p. 9). Initially the debate over the creation of a federally subsidized network of roads and canals was waged on constitutional grounds, with opponents arguing that the national government did not have the authority to develop such a system. While modest federal activity did take place (for example, the building of the Cumberland Road), until the end of the century roads in rural America were predominantly local institutions (Barron, 1992, p. 82). Rural opposition to moving beyond a local approach to the issues did not subside until the turn of the century, when eastern states assumed responsibility for this area. Rural commitment to local control of roads was most pronounced in the Midwest (Barron, 1992, p. 91.) After World War I, the widespread adoption of
the automobile and the limitations of county and state administration led road reformers to appeal to the federal government (Barron, 1992, p. 93). While farmers focused on construction of less expensive roads, called “farm to market” routes, others argued for a federally financed system of highways that linked urban areas and followed scenic routes across the country (Barron, 1992, pp. 94–95). Under pressure from their rural constituents, states were often unable to respond to their demands; this prompted increased pressure for a greater federal role (Barron, 1992, p. 97). The 1921 Federal Highway Act tried to accommodate the farmers’ demands as well as those from urban groups.

Research and Development. Three major pieces of legislation were adopted following the Civil War that set into place a federal presence in agriculture accentuating its research and development role. The “agriculture reform” package of 1882 included the Homestead Act, the establishment of the U.S. Department of Agriculture, and the Morrill Act (Osbourn, 1988a, p. 13). This package of legislation reflected the federal government’s role as a major player in pushing for change in agriculture. According to Sandra Osbourn, “The establishment of the Department of Agriculture and the enactment of the Morrill Act were the opening moves in a continuing national strategy of supporting the application of science and technology to the practice of agriculture” (p. 14).

The Morrill Land Grant Act provided assistance to states by making public lands available to them for specific kinds of education: agricultural and mechanical colleges. Its development essentially bypassed general-purpose state government (Bonnen, 1992, pp. 190–201). Soon after, the Hatch Act of 1887 authorized agricultural experiment stations in each state and established grants to states for testing, research and publication, and dissemination of scientific information. (Osbourn, 1989, p. 15). This early grants-in-aid approach was extended through the Smith-Lever Extension Act of 1914 (which called for dissemination of research information produced in the agricultural colleges to farmers) and the Smith-Hughes Act of 1917 (which provided for federal grants to be matched by state contributions for instruction in agriculture and the trades). During this period, a State Relations Office was established within USDA to act as the coordinating agency for relationships between the federal department and the agricultural colleges and experiment stations (Baker et al., 1963, p. 81). The Agriculture Experiment Stations, which relied almost entirely on federal funds in their early years,
received increases in state appropriations as commercial farmers accentuated the value of discoveries made by station investigators (Kerr, 1987, p. 199).

The Land Grant system (and the Cooperative Extension Service which runs within it) operated as a very independent program, with a classic iron triangle of interest group, bureaucratic, and congressional support. It is described as a partnership of the land-grant universities and USDA (Rasmussen, 1989, p. 4). Indeed, many programs focused on rural areas were either administered locally by independent and special agencies (such as farmer committees, cooperatives, and regional planning and development organizations) or directly by federal bureaucracies (Sokolow, 1987, p. 2). However, at the same time, state budgets contribute extensively to the running of these programs; the federal contribution is approximately 30 percent of the system with state funds providing the dominant share of the remaining funds (Rasmussen, 1989, p. vii). These programs used various forms of capacity development and strategies building on the research and development approach devised early in the century.

*Redistribution and Equity.* By the early twentieth century, there was increasing concern about the economic health of the rural sector. Growing urbanization suggested that Americans did not appreciate the importance of the rural sector. Theodore Roosevelt appointed a Country Life Commission, whose report has been called “the first nationwide study of rural living” (Osborn, 1988a, p. 18). It argued, “The farming interest is not, as a whole, receiving the full rewards to which it is entitled, nor has country life attained to anywhere near its possibilities of attractiveness and comfort” (Baker et al., 1963, p. 22). The commission called for action from multiple sources: the federal government, states and communities, voluntary organizations, and individuals acting alone (Baker et al., 1963, pp. 15-16).

Congressional action expanded in the succeeding years but did so in a way that provided support to individual farmers and did not involve state and local general-purpose governments. The Federal Farm Loan Act of 1916 provided long-term credit for farmers; the Warehouse Act gave farmers loans for storage of some crops. The Agriculture Marketing Act of 1929 established mechanisms to attempt to control prices by buying and selling farm commodities (Osborn, 1988a, p. 22). By the New Deal, increasing concern about the economic
health of rural America culminated in the emergency programs of the Roosevelt administration (especially those for poor farmers under the Resettlement Administration and its successor, the Farm Security Administration). The activity undertaken through the Agricultural Adjustment Act of 1933 created concern over direct administration of some programs from Washington and possible duplication and overlap between these programs and those administered through the state extension services. An agreement was reached between representatives of the land grant colleges and top department officials to "give the problem of Federal-State relationships, as affected by the new policies and programs, 'full, unhurried, and careful examination.'" (Baker et al., 1963, p. 255). The agreement that was eventually reached gave state extension services the role of initiator in setting up county land use planning committees to deal with the perceived overlap and duplication (Baker et al., 1963, p. 259).

Concern about low-income farmers continued in the post-World War II period. Eisenhower called for a program for low-income farmers that focused on individual farms and farm families (Osborn, 1988a, pp. 31–32). With the Cooperative Extension Service in the lead, rural development committees were organized to include representatives of local agencies, USDA and other federal agencies, and community leaders (Rasmussen, 1985, p. 3). The Kennedy administration created the Rural Area Development program that focused federal attention on rural issues beyond those attached to agriculture, emphasizing interdepartmental and interagency coordination efforts. This was a key shift in federal policy.

The Johnson administration's efforts accentuated the link between rural poverty and urban disorders (Osborn, 1988a, p. 38) and the importance of working across multiple federal agencies to address the problems of rural Americans. An executive order was signed in 1966 establishing a Rural Development Committee to coordinate and provide a forum for consideration of rural problems (Osborn, 1988a, p. 42).

Efforts to focus on poor and small farmers as well as nonfarm rural residents were frequently stymied by the political power of the "big four" interest groups: the American Farm Bureau Federation, the National Grange, the National Farmers Union and the National Farmers Organization. Although these groups were often in conflict with one another over specific policies, all of them emphasized their constituencies who were farmers not rural residents (Salamon, 1987, p. 3).
Intergovernmental Relationships in Rural Policy since 1968: Federal Experience. By the Nixon administration, intergovernmental rural policy reflected the Republican administration's general approach to domestic policy. He proposed a block grant that would allow states the opportunity to decide where to spend money allocated for rural development, replacing eleven categorical grant programs (Salamon, 1987, p. 8). General revenue sharing funds provided resources for rural communities.

In addition, in an effort to reduce government spending, Nixon called for an increased role for the private sector in rural areas: tax credits to private businesses that invested in nonmetropolitan areas (Salamon, 1987, p. 9). Nixon also sought a major reorganization of the federal government, putting most of the USDA programs in a superdepartment called the Department of Community Development (Salamon, 1987, pp. 9–10). Congress refused to support many of Nixon’s proposals; however, they were to resurface in subsequent Republican administrations. The attention to rural development did survive in a symbolic way in the 1972 Farm Bill, which contained provisions to create an assistant secretary for rural development in USDA.

Unlike Nixon, who sought to minimize differences between urban and rural settings, the Carter administration focused on specific needs of small communities and rural development. Legislation was enacted that focused on improving the effectiveness of existing resources, rather than increasing the resources available or making major structural changes in the delivery system (Osbourn, 1988a, p. 53). Carter’s Georgia roots and those of a number of his staff were particularly attuned to the problems of rural citizens.

An interdepartmental Assistant Secretaries Working Group for Rural Development was formed that, among other issues, emphasized the lack of capacity at both the state and local levels for managing rural development (Osbourn, 1988a, p. 54). It also targeted on the problems of disadvantaged groups in rural America. The Working Group identified a number of areas that needed attention, including the appropriate roles of the three levels of government in the planning and implementation process of rural development (Osbourn, 1988a, p. 56). The Carter administration, while considering a structural solution not dissimilar to that proposed by Nixon, instead decided to accentuate a coordination strategy that involved working with the existing rural development structure, rationalizing funding cycles, and simplifying application and planning requirements (Osbourn, 1988b, p. 24).
At the end of the Carter administration in 1980, the Rural Development Policy Act created a new undersecretary of agriculture for small community and rural development. Proposals to create a permanent interagency Working Group for Rural Development were not adopted. The act directed the secretary of agriculture to increase the coordination of federal programs with the development needs, objectives, and resources of local communities, substate areas, states, and multistate regions and to improve state and local government management capabilities, institutions, and programs related to rural development (Osborn, 1988b, pp. 61-63).

Despite the provisions of the 1980 Act, the Reagan administration chose another course. Budget cuts were proposed for most of the rural nonfarm programs (Salamon, 1987, p. 25). The administration believed that the federal government should not be involved in this policy area, that it "violates correct relationships within the Federal system and between the public and private sectors" (Osborn, 1988b, p. 67). It argued that state and local governments and the private sector were the appropriate agents for developing and carrying out rural development policy. This was consistent with a general domestic policy thrust and there was no attempt to focus on special problems of rural (as opposed to urban) settings.

Consolidation of categorical grants to state and local governments was proposed, along with the budget cuts. While some interdepartmental activity took place, particularly during the second Reagan term, the rural development strategy that was employed "reiterates the Administration's commitment to encourage growth in that sector through tax relief, regulatory reform, more aggressive trading practices, control of inflation, reduction of interest rates, and the improvement of productivity through basic research and development" (Osborn, 1988b, p. 75).

A part of the federal strategy during Democratic administrations over these years was thus to broaden the scope of the policy issue and create mechanisms to target rural development assistance outside of the U.S. Department of Agriculture (USDA), particularly to the underserved. These mechanisms focused on community and human resource development, as well as economic development. In the 1960s, programs included the Appalachian Regional Commission and the Economic Development Administration, as well as various efforts within the Office of Economic Opportunity. States were also given an increased role, par-
particularly with their ability to control allocation of Small Cities Community Development Block Grant funds.

But another part of the strategy was targeted at USDA itself and approaches within the department that would support a shift from a purely agricultural agency to one with a broader rural focus. However, the Department of Agriculture had little ability to exert pressure on the land grant system to give increased attention to rural development issues (Cornman and Kinkaid, 1984, p. 45). By contrast, Republican administrations sought to decrease the federal role through block grants and budget decreases and, at the same time, improve the coordination of remaining programs.

*Rural Intergovernmental Relationships since 1968: State and Local Experience.* Since the Kennedy administration there have been efforts to involve rural and small-town governments as instrumentalities of federal policy. During the late 1960s and early 1970s, multi-county, substate planning and development regions were viewed as the vehicle for developing, coordinating, and implementing efforts to assist declining rural areas throughout the nation (Bender, Browne, and Zolly, 1987, p. 161). More recently there has been attention to the role of general-purpose state governments in developing and implementing rural policy. By 1988, the rural assistance issue began to emerge on the gubernatorial issue agenda. Erik Herzik’s analysis of agenda items mentioned by governors from 1970 to 1988 shows the rural issue appearing for the first time in 1988; during that year it showed up as the eighth most frequently mentioned item (Herzik, 1991, p. 33). By that point, states took a number of actions that had the effect of increasing their role in the delivery of public resources for rural development (Roberts, 1990). By 1988, the National Governors’ Association (NGA) proposed a new alliance between the federal government and the states in rural development. In this scheme, the states would take over more of the delivery and local coordination of programs, but at the same time, the NGA emphasized the importance of many of the federal delivery mechanisms and, of course, federal funding. According to one observer, “In reality, much of the NGA strategy was an attempt to restore federal funding for rural programs, while allowing a broader state role in allocating those federal funds. By the mid-1980s the combination of an economic downturn and a reduction in federal support had left state governments under great pressure to fill the role the federal government had abdicated” (Freshwater, 1991, p. 7).
The Rural Legacy: A Backdrop for New Governance. Since the middle of the nineteenth century, farm policy and farmer organizations focused on relatively narrow economic interests; since the New Deal and the creation of commodity price supports, farm interest groups developed a national presence in Washington, participating in policy formation (Bonnen, 1992, p. 193). But as the number of farmers decreased, there began to be an acknowledgment that the narrow economic interests of farmers did not address all of the problems of rural Americans. Effectively, “rural” was synonymous with “agriculture”; federal program elements were clustered in USDA and it was assumed that interventions in agricultural production and distribution would lead to improved conditions for Americans who lived in rural areas. This definition led to a set of intergovernmental relationships that were limited in both their horizontal and vertical dimensions. Few federal rural programs were found outside USDA despite concern about health, education, and job training problems of rural citizens. Similarly, few federal rural initiatives involved state governments; most dealt directly with local governments, farmers, and other businesspeople (NGA, 1988, p. iii).

This focus, by definition, reached beyond the federal government to involve a range of other intergovernmental actors. The Rural Development Act of 1972 attempted such an effort, as did activities during the Carter administration. During the Reagan years, however, little was done to support these activities and budget stringencies provided the opportunity to eliminate efforts in this direction.

Bonnen has argued that one important barrier to an effective rural development policy is the lack of vertical linkages among levels of government. He notes that although rural problems are location-specific, “underdeveloped or lagging rural areas ultimately have an impact on the economic welfare of citizens beyond the boundaries of any local government. . . . Given the many national, state, and local governmental jurisdictions that are affected by rural public services, the benefits of any rural development policy (or, conversely, the costs of continued rural underdevelopment) will be widely shared throughout American society” (Bonnen, 1992, p. 197). Bonnen notes that the need to develop a coordinated national, state, and local rural development policy will confront the opposition of more narrowly focused farm commodity interest groups. He also notes that the effort requires a coordinated system for sharing the costs of a rural development policy.
By 1990, despite disagreements about the form of an initiative, it was clear that various elements could agree that something had to be done about rural America. Attention to these problems emerged from both Congress and the White House as a divided government sought to claim its attention to the problems of rural Americans. The 1990 Farm Bill largely crafted by Democratic members of Congress included provisions authorizing the creation of a separate Rural Development Administration in USDA. And in January 1990, President Bush announced the steps his administration would take “to strengthen the delivery of Federal support for rural development.”

Conclusions

The policy landscape that confronted the State Rural Development Councils thus demanded an approach that could deal with an extremely complex governmental system. The boundaries of the policy issue were not clear. Because rural residents have multiple problems, one could imagine that a federal policy initiative could reach across the federal domestic landscape. Most of the problems facing rural residents called for resources that were beyond the control of a single actor; in many cases, the problems demanded action from government at all levels as well as nongovernmental entities. Yet the role of state governments in this area was variable across the country. No single actor was responsible for creating the problems and no single actor could solve them. However, many participants could respond to some aspect of these issues. This reality set the framework for the 1990 Rural Development Initiative.

References


Additional Readings


