4 | The National Rural Development Partnership

A New Approach to Intergovernmental Relations

THIS CHAPTER EXAMINES the design and assumptions behind the National Rural Development Partnership, focusing on policy context for the experimental effort and elements and assumptions contained within the design. The discussion emphasizes the concept of collaboration and the development of this idea within a changing political context.

The Challenge of Rural Development as Stimulus for Change

Rural America enjoyed a renaissance in the 1970s as many people sought less congested and less complicated surroundings than urban areas afforded (Cornman and Kincaid, 1984). Unfortunately the economic growth that the American economy enjoyed during the 1980s was not shared in rural communities; rural economies in most states plummeted in the 1980s (Flora and Christenson, 1991; Galston, 1992; Reid and Frederick, 1990). Small rural communities have experienced declines in employment, population, and revenues for more than a decade (Reid and Sears, 1992).

As discussed in Chapter 2, fundamental shifts in the national and international economies and influences of these macroforces on markets made rural communities increasingly vulnerable to changes beyond their horizons. Declining rural populations and economics left severe personal, social, and economic burdens for residents who remained. Rural outmigration has been particularly characteristic of younger people and disproportionately so among younger people with more years of formal education (Shribman, 1991). Tax bases erode, an aging population is left without younger family supports, and services shrink as the customer-clientele base diminishes. People who remain have less purchasing power. The community becomes less desirable for new industrial
and commercial ventures. Such downward cycles are difficult to reverse. As Reid and Sears (1992, p. 215) note, there must be "an expansion in
the ability of an area to sustain, largely through its own efforts and with
its own resources, improved performance along one or more key eco-
nomic and social dimensions."

This was the context within which rural development became part
of America’s national agenda. Indications of early interest in energizing
rural America were visible in the poverty programs and the Rural Devel-
opment Act of 1972. The Carter administration’s approach emphasized
a continued federal role in rural development, including program coo-
drdination and improved service delivery (Osbourn, 1988a,b). There was
some recognition of the limits of this perspective in the Reagan adminis-
tration.

The Bush administration took a different approach. Early efforts to
reverse the downward cycles in rural communities were modest and tied
to presidential politics, for example, President Bush’s reelection effort.
The Bush administration launched its initiative in 1990 to address the
needs of rural economies in a way that was philosophically consistent
with its agenda of reducing the role of the federal government in rural
economies, increasing the role of the private sector in rural economies,
and building political support in rural America for the Bush reelection
campaign. Such a rural initiative appeared to be a program that could
be implemented without much controversy and at low cost.

In many ways, President Bush’s rural initiative was a modest but
politically and substantively an agenda that was ideal in support of his
reelection bid. It spoke to important rural constituents but did not
require major resources. New thinking, however, was required. First, it
was necessary to break the mind-set that equated rural economies with
agricultural economies. Second, new strategies were needed that were
consistent with the Bush administration agenda that precluded solutions
requiring transfer payments or economic development subsidies.

Recognizing the problem but having no solution, the Bush adminis-
tration hit upon a process approach that utilized State Rural Develop-
ment Councils (SRDCs). These councils would broaden economic
development participation within the states, let rural communities
define their own problems, and accept responsibility for their own solu-
tions. Hopefully these councils would yield uniquely tailored strategies
for rural development based on local initiatives, intergovernmental col-
laboration, and public/private cooperation.
The modest nature of the financial support and the programmatic priority of reducing the role of the federal government combined to set the stage for some new ways of approaching rural development. The lack of new program dollars meant that state and local participants did not have recourse to the old “reactive” posture vis-à-vis the federal government. Self-reliance, local autonomy, and public/private collaboration were the only strategies that had any likelihood of success.

Something considerably more complicated and innovative evolved from these early Bush administration ambitions than is typical of initiatives launched in Washington. The Rural Initiative, renamed the National Rural Development Partnership in 1993, continues as a work in progress both in the nation’s capital and in the states. The rural development enterprise has been one of change and redefinition. Indeed, keeping track of the number of name changes presents a challenge, let alone keeping abreast of the subtle changes in emphasis and orientation that the name changes reflect.

The Nature of the Experiment

There are a number of elements within the Partnership that are basic to its development: the concept of collaboration, commitment to broad-based participation, and constant change (or a “work in progress”).

Collaboration

The earlier Bush administration President’s Initiative on Rural Development and the Clinton administration’s Rural Development Partnership have relied on restructured intergovernmental relations. The Partnership represents a new way of public policymaking that has involved shifts away from the traditional command and control approach of intergovernmental relationships noted in Chapter 1. That model of federalism emphasizes formal lines of authority that separate one level of government from another and programs that emphasize one definition of a problem and a specified range of solutions. In contrast, the Partnership emphasizes intergovernmental collaboration in problem definition and problem solving rather than a top-down, federal-to-state or federal-to-local flow of directives. The emphasis is on a combination of a bottom-up and top-down approach to problem definition. In
this, federal, state, local, private, and not-for-profit sector actors with rural policy interests collaborate and collectively assume the initiative for rural development.

The complexities of collaborating within the federal government, between levels of government, and between government and non-governmental organizations have raised myriad opportunities and constraints. The scope of the Partnership’s activities has expanded as its key actors have become more open to expressions of diverse purposes, expectations, and perceptions in Washington, state capitals, and rural communities.

The Partnership’s changes reflect something more than the normal problems that should be expected during the early stages of creating and implementing any new program. They also reflect the need to wrestle with a classical dilemma of intergovernmental relations: pursuit of national goals through induced compliance with federal government directives (usually issued by a single lead agency), while preserving local, state, and other federal agencies’ autonomy to pursue (or ignore) national goals, using self-selected strategies. Although the trial-and-error learning processes have caused inconsistencies, the initiative has emphasized collaboration among independent and—at least in theory—coequal agencies rather than the federal government’s familiar top-down way of doing business through imposed program requirements backed with grant dollars.

The federal role in this endeavor has two different dynamics: one that is top-down and another that is responsive to initiatives from the states. Federal actors in Washington, D.C., especially the National Partnership Office (the staff office established to support the activities) and the National Rural Development Council (the organization of federal agencies and national organizations interested in this effort) have adopted a top-down approach to facilitating the various bottom-up initiatives. Inside the beltway and within federal agencies, a top-down approach was used to announce the program direction and communicate the expectation that federal agencies would participate. Federal actors within the states participate in state rural development councils’ collaborative activities as one among equals.

The bottom-up aspect of the Partnership derives from the belief that collaboration among rural development actors within the states is the primary source of ideas and initiatives. D.C.-based federal actors play a facilitative role in response to these SRDC-originated ideas. An example
of this facilitative role is seen in the support role played by the National Rural Development Council in the removal of federal impediments.

**Broad-Based Participation**

The Partnership has benefited from growing recognition that rural development is not a simple endeavor. Wide-ranging participation has contributed to the realization that rural development cannot be imposed unilaterally, and it involves more than support for agribusiness or economic development programs to recruit new industries into withering communities. Trials, errors, corrections, and after-the-fact justifications for activities have provided valuable learning experiences—and high levels of frustration.

The cornerstone of the experiment is the State Rural Development Council. While each council has its own idiosyncrasies and dynamics, the overall pattern is one of networking and reliance on inclusive, collaborative methods of participation and problem solving. In most instances, any governmental or private-sector actor with an interest in rural development and the willingness to participate in state rural development councils has been welcome to do so. The broad-based nature of the rural development partnerships has necessarily incorporated diverse expectations and perspectives. This has resulted in definitions of rural development that are broader than job creation. And the diversity has created pressure to occasionally sidestep controversial issues where no consensus position is possible.

**Work in Progress**

Since its origination, the Partnership has been in a state of constant change and many of the changes have been fundamental. It continues to experience change in its philosophy, structure, implementation approach, and key actors. One early structural approach, for example, would have created federal rural development councils in states that mirrored earlier councils made up of federal agricultural agencies. Thus, the original concept of the SRDC envisioned voting membership open only to representatives of federal government agencies. All other state, local, and private-sector actors were limited to secondary nonvoting roles.

The rural development enterprise is best characterized by contin-
ued change. The latest manifestation of this change is the Clinton administration’s embrace of the Bush initiative in 1993, touting it as a shining example of its own “reinventing government” agenda at work. In fact, the Rural Initiative already was doing new governance before President Clinton charged Vice President Gore to undertake a National Performance Review (Gore, 1993). Since then, the enterprise has been renamed the National Rural Development Partnership and has expanded substantially.

**Evolution of a Concept of Collaboration**

Changing rural circumstances required new ways of stimulating rural development. The self-help provisions of the Bush administration’s initiative, launched in 1990, with the goal of creating a leadership capacity for economic development in rural communities through State Rural Development Councils (SRDCs), had consequences for problem definition and solution generation. New ways of thinking about rural development and new strategies for promoting rural economic development were explored. SRDCs were intended to become collaborative structures where intergovernmental and public-private networks would develop. Collaboration within these networks would lead to the identification of problems and barriers, strategizing, problem solving, and leadership development in pursuit of self-sustaining rural development. In short, SRDCs were to create and implement their own agendas.

SRDCs are the centerpiece of the Rural Partnership. They are the vehicles for implementing rural development through new governance principles. Each SRDC includes federal, state, local, private for-profit, nonprofit, and (in most states where there are significant numbers) tribal members. The flexibility to respond to specific rural interests in each state guarantees that each SRDC is different. Each creates its own identity and implements its own agenda.

Realization of SRDC autonomy was slow to develop among the pilot SRDCs. Federal and state participants in SRDCs were accustomed to top-down imposition of priorities and requirements by the federal government in exchange for financial support. Several of the pilot councils were created as federal councils—not partnerships. For example, until 1992, only federal administrators were full voting members of the Texas council, officially known as the Texas Federal Rural Development Coun-
cil. All other participants were “associate members.” In December of 1992 the word “Federal” was dropped from the name and the associate membership category was eliminated. By mid-1993 only 7 percent of the TRDC membership was drawn from federal agencies, down from 48 percent of the membership in 1991.

Deliberations in SRDCs during the early years revealed a tendency to conceive of opportunities in conventional, categorical, federal control–state compliance terms. SRDCs looked to their federal members to be told what was expected and how to do it. It was not uncommon for an SRDC to ask its assigned federal government liaison person (“desk officer”) to clarify expectations, rules, regulations, and requirements, only to find that such particulars did not exist. Early on there was a great deal of emphasis on State Rural Development Councils creating deliverables for federal government review.

Most of the SRDCs are in the process of evolving into more self-initiating, flexible, and collaborative bodies. It has not been an easy process, however. Four years into the Rural Partnership experiment, participants are beginning to realize that this initiative and the SRDCs have been constructed on the principle of local/rural problem definition and solution generation. Federal agencies and actors are viewed as potential resources, not sources of rules and regulations. The role of the federal government in rural development is evolving into that of facilitator, not controller.

The Rural Partnership’s evolving principles in action have provided the Clinton administration with a “living laboratory” for its new governance. Those new governance principles include:

- Local customer satisfaction
- Government flexibility and responsiveness
- Empowerment of rural development policy actors and rural communities themselves
- Public-private partnerships
- Entrepreneurship in government
- Elimination of red tape in program administration
- Intergovernmental problem definition and strategy development

The State Rural Development Councils have been working under these principles since their earliest operations. A mission-driven rather than program-driven effort, the Partnership has defined itself as an
activity focused on results rather than various inputs. It has emphasized flexible, responsive, and forward-looking approaches to problem identification and strategic planning. The emphasis is on an approach to problem definition where federal, state, local, tribal, private, and non-profit sector actors with rural interests collaborate. The Department of Agriculture’s Rural Development Partnership was mentioned favorably in Vice President Gore’s National Performance Review (1993, p. 49) as an example of the flexible, decentralized approach to policy-making that will be needed for governance in the 1990s. In short, what started out as a Bush administration substantive agenda of economic development, diminished government involvement, and increased private sector roles evolved into a process agenda regarding how rural economic development should be approached.

With the Clinton administration, the Rural Partnership is moving back toward a substantive agenda—how government should be “re-invented.” The challenge facing the Partnership is the lack of policy leadership from within the Clinton administration. The Clinton administration has embraced the concept of reinventing government and the Rural Partnership as an example of it. At this writing, it has begun to give the kind of supports perceived as necessary to meet the challenge of rural development in this complex environment. The NRDC/SRDC intergovernmental networks have presented themselves as ready to make a difference in the rural sector’s capacity for focusing on mission and results using interagency collaboration, entrepreneurial management, and decentralization in policy-making.

Setting the Policy Stage for the NRDP

State Rural Development Councils, the cornerstones of the rural initiative, were not the first interagency coordinating body active in the rural sector. The states had prior experience working with interagency coordinating bodies through their exposure to USDA’s Food and Agriculture Councils (FAC). FACs were created in 1982 to serve as interagency forums through which USDA agency heads would coordinate departmental objectives at the state level. USDA agencies participating in FACs included: Agricultural Stabilization and Conservation Service, Extension Service, Farmers Home Administration, Federal Crop Insurance Corporation, Food and Nutrition Service, Forest Service, Rural

FACs also were to serve as links between committees of the Policy and Coordinating Council and the states. In 1983, FACS were directed to emphasize support for the department's rural development functions, including regulations, policy development, and coordination among USDA agencies (Musgrave, 1989). The Rural Revitalization Task Force found that FACs had not been very active and recommended that they should be renamed "State Rural Development Councils" and reinvigorated by refocusing them on rural development issues.

The Carter administration's approach to rural development envisioned a continued federal role to improve the availability of basic human services. A few isolated developments also occurred during the Reagan administration. The Food Security Act of 1985, for example, established a National Commission on Agriculture and Rural Development Policy (NCARDP) with a two-year mission: "to provide a broad and long-range perspective on U.S. agriculture and rural development policy . . . [and be a] source of policy goals and initiatives and as a sounding board between state and national policy makers" (Knigge, 1990, p. iv). The fifteen-member NCARDP was appointed by President Reagan, but its contributions to rural development were minimal until 1989, the first year of the Bush administration.

On a second front, the National Governors' Association issued a 1988 clarion call for a "new alliance" between the federal government and other organizations, including state and local governments as full partners in the SRDCs (National Governors' Association, 1988). In 1990 the Council of Governors' Policy Advisors conducted a Rural Policy Academy which brought together top-level policy teams from ten states: Arkansas, California, Iowa, Maine, Michigan, Missouri, Mississippi, North Dakota, Pennsylvania, and Wyoming. These initiatives provided some energy and focus that helped the rural initiative get underway in the Bush administration.

The reports of the National Commission on Agriculture and Rural Development Policy (NCARDP), published during the first two years of the Bush administration, articulated the challenges facing agriculture and rural economies and thus set the stage for any national rural development initiatives. In 1989, NCARDP examined agricultural policy issues, including: international competitiveness, production flexibility and efficiency, resource conservation, environmental quality, farm finan-
cial well-being equity, and marketing and productivity (NCARDP, 1989). In 1990, NCARDP reports focused on rural development policy issues. Its primary observation was that the fate of rural America lay in the hands of rural citizens. Although the federal government could support rural development, it could not make rural development happen. NCARDP articulated the concern for rural America, recognized that rural economies were more diverse than agriculture, and noted that the long-term vitality of rural economies required attention to that diversity.

NCARDP called for a review of all federal policies to determine their effects on rural areas and improvement in the information available about rural conditions and development strategies. It also had advocated a more comprehensive approach to rural development, including education as a major component. NCARDP recommended processes that were more flexible, collaborative, and cooperative, with an eye toward more strategic, innovative, and experimental efforts in pursuit of rural economic development (Kligge, 1990). The recommendations of NCARDP were thus a seedbed for the Bush administration’s rural initiative.

The early Bush administration’s emphasis for the rural initiative was on helping rural America catch up with the rest of the nation’s economic growth. Recognizing that rural America is home to 25 percent of American citizens and comprises 75 percent of the nation’s land area, President Bush’s initiative sought to “improve the employment opportunities, incomes and well-being of the Nation’s rural people by strengthening the capacity of rural America to compete in the global economy” (Madigan, 1991, p. 3).

The initiative’s substantive thrust was threefold: downscale or change the Department of Agriculture into the Department of Rural Affairs, diminish the federal role in domestic policy, and increase the role of the private sector in economic development. The Bush administration sought to provide a new framework for conceiving and carrying out public policy for rural economic development. Its intent was to reorient rural program delivery to meet challenges identified by NCARDP in its 1990 report (Osbourn, 1988a).

In its report, “Rural Economic Development in the ’90s: A Presidential Initiative,” the National Rural Initiative Office identified its guiding principles as the following: the private sector must participate actively; the benefits of rural development must be shared; new partnerships are needed; and a strategic approach is required (Madigan, 1991). The report explicitly recognized that “rural economic development implies a
healthy private sector economy able to provide jobs and raising incomes for rural residents . . . enhancing the rural environment in which the private economy can flourish” (Madigan, 1991, p. 6). The rural initiative’s ultimate goal was “to increase the level of economic and social well-being of rural people by overcoming the difficulties of rurality . . . by addressing the institutional constraints faced by rural areas” (Madigan and Vautour, 1991, p. 5). Specific principles included: active participation of the private sector; a better targeting of rural development resources; closer collaboration among federal departments, agencies, and state and local governments; and a strategic approach to development.

The official purposes for the rural initiative were:

Improve the employment opportunities, incomes and well-being of the Nation’s rural people by strengthening the capacity of rural America to compete in the national and international economy . . . to achieve short- and long-term rural economic development goals. State councils will identify the full scope of natural, human, and economic resources available within the State, and develop a long-term, comprehensive strategy for rural development. (Madigan, 1990, p. 5)

Three distinct agendas lie behind these official words: substantive, political, and process agendas (Radin, 1992). The substantive agenda had several components. First, the Bush administration was committed to reducing the role of the federal government in domestic policy arenas. Thus the initiative’s emphasis on the primacy of state government leadership, the importance of private enterprise participation, and deregulation evolved naturally. Second, goals-oriented strategic planning processes were considered essential to rational economic development. Third, the rural initiative could “be viewed as a first step in a move either to scale down the [U.S.] Department of Agriculture or to refocus it as a Department of Rural Affairs” (Radin, 1992, p. 113).

The rural initiative was to demonstrate sensitivity to the issues of rural development with a minimal expenditure of federal monies in order to garner rural reelection support. This political agenda “demanded that the efforts be visible, developed quickly, and that the White House (rather than Congress) shape the agenda” (Radin, 1992, p. 113).

The 1990 Food, Agriculture, Conservation, and Trade Act (FACT) (PL 101-624) was the second major initiative used to signal how important rural America was to the president. FACT created the Rural Devel-
opment Administration (RDA) within the U.S. Department of Agriculture. RDA was created from several existing agencies in USDA to provide overall leadership to USDA's rural development effort (Madigan and Vautour, 1991).

The process agenda was to change the role that federal agencies played in rural development from that of director and implementor to that of catalyst, enabler, and collaborative partner. This change, however, required a "new paradigm" of intergovernmental relations: a non-hierarchical model consisting of networks that reached across public-private boundaries as well as federal-state-local lines.

The Structure of the Initiative at Start-up

*The Federal Government in Washington, D.C.*

The president’s rural initiative was announced in January 1990. Its six major components were action-oriented. They were designed for quick visibility or to support rapid implementation. They included (Madigan, 1991):

- Form a presidential council on rural America
- Establish state rural development councils
- Conduct rural development demonstrations
- Expand the Rural Information Center
- Target federal rural development programs
- Make the Working Group on Rural Development, chaired by Agriculture Secretary Madigan, a permanent standing committee of the President’s Economic Policy Council

By the end of 1990, action had been taken on all six of these components. The governors of eight pilot states had been invited to participate in the State Rural Development Council experiment that would include federal, state, local, and private actors as full partners. The eight pilot SRDCs were asked to identify rural development demonstration projects. The Rural Information Center was expanded to include a Rural Development Technical Assistance Center and Hot Line.

In Washington, a relatively nonhierarchical structure was put into place to implement the rural initiative and support the SRDCs, includ-
ing: the President’s Council on Rural America, the Economic Policy Council’s Working Group on Rural Development, the Monday Management Group, the National Rural Initiative Office, and the Rural Information Center.

*The President’s Council on Rural America (PCRA)*. PCRA, a “blue-ribbon” citizen’s council, held its first meeting on January 23–24, 1991. PCRA membership included nineteen private-sector members with roots in rural communities. Its chair was Winthrop Rockefeller (Arkansas), and vice chair was Kay Orr (Nebraska) (Rockefeller, 1992). Although PCRA’s mission was to improve the quality of life in rural America, its role as seen by the Bush administration was to bring the private sector into the rural initiative.

PCRA met twenty-five times in communities across rural America before issuing its final report, *Revitalizing Rural America through Collaboration: A Report to the President* (Rockefeller, 1992). Its primary conclusions were consistent with the Bush administration agendas for the rural initiative and did not provide any surprises. Those conclusions included: economic development improves the quality of life; economic development requires community development, the destiny of communities must be determined by residents; the federal government should be more collaborative and responsive in fostering rural economic development; the federal government should not establish new farm programs or new agencies, instead it should establish a permanent President’s Advisory Council on Rural America to advise and monitor the achievement of rural development goals and objectives; and many existing federal rural programs were misdirected and too prescriptive (Rockefeller, 1992). PCRA also offered a vision for rural America’s future (Rockefeller, 1992, p. 3):

- Empowered individuals
- Caring communities
- Skilled visionary leadership
- Resourceful collaboration
- A future sustained through local initiative

*The President’s Economic Policy Council* (subsequently renamed the Policy Coordinating Group) established a standing committee devoted to rural economic development, known as the *Working Group on Rural Develop*
ment (PCG-WGRD). These policy-level decision-makers represented virtually all federal departments, free-standing agencies, and commissions that had "rural" policies in their missions (Madigan and Vautour, 1991). Originally, the PCG-WGRD only had authority to recommend, but its powers were expanded when it became a permanent interdepartmental policy body with oversight responsibilities. The PCG-WGRD began to demonstrate its policy-making capability when it became involved in attempting to remove real and perceived impediments to effective governance that were identified, documented, and sent to Washington by SRDCs. The PCG-WGRD provided policy oversight of the rural initiative at the federal level, opportunities for joint rural development planning and policy implementation, and a mechanism for the elimination of unnecessary governmental barriers to economic development. This group terminated at the end of the Bush administration.

The National Partnership Office (NPO) (originally the National Initiative Office, NIO), operates as one hub in the web of Rural Partnership networks that exist in states and within the federal government in Washington, D.C. The NPO is small, minimally hierarchical, and interactions are peer-based. "The NIO [now NPO] demonstrates that a governmental entity can be trusted to operate in a system of accountability which is flexible, not rigid, and which is based on outcomes rather than procedures" (NIRA, 1993).

The National Council on Rural Development (NRDC), (earlier known as the Monday Management Group, MMG) has been a key element in the management support structure since the beginning of the initiative. The NRDC is a group of senior career and appointed officers who meet on alternate Mondays to resolve operational problems, monitor SRDC outcomes, and provide operational linkages among the PCG-WGRD, participating federal agencies, the National Partnership Office, and the SRDCs.

The basic elements of the group took form in early 1990 when Deputy Undersecretary of Agriculture for Rural Development and Small Communities Walter Hill experienced a sense of frustration over the number of committees and meetings that were being held as a part of an interagency policy development task through the Presidential Initiative on Rural Development (Radin, forthcoming). He observed that every time he called a meeting, different people showed up. His solu-
tion was to combine all of the committees into one group and schedule the meetings of the group every Monday morning. After about six weeks, between eighteen and twenty people showed up every time.

By September 1990, this group took on a more permanent status and was described as a staff-level management group with representation from all participating federal programs that convened regularly to provide detailed definition to the initiative and to design a strategy for implementation. By December 1990, the management group had four management teams centered on organizational, staffing, and training assistance to the state councils (known as the SRDCs).

The Monday Management Group, the precursor to the NRDC, initially established five management teams to focus on functions that were deemed most crucial to the rural initiative in 1990. They included: a state council coordinating team, a Rural Economic Development Institute team, a federal employee training team, a pilot project evaluation team, and a public affairs management team (PIRD, 1990). Progress toward a collaborative approach to rural policy-making within the executive branch had been made by sponsoring activities involving multiple departments and agencies. With support of the MMC, the PCG-WGRD began to serve a policy-making role to resolve impediments to effective governance that are identified by individual SRDCs (Rural Development, 1992; 1993).

Three issues have been paramount for the Rural Partnership’s management support structure: How to maintain flexibility as the SRDCs and their tasks became more complex; division of leadership responsibility among the federal-level agencies and support structures and between Washington, D.C., and the SRDCs; and how the support structure could respond to external pressures (Outcome Monitoring Team, 1993). The National Rural Development Council’s “impediment process” is illustrative of how the roles and functions of the management support structure have evolved (Radin, forthcoming).

The “impediments process” provides a highly visible example of how the Rural Partnership has tried to address paramount issues. It seeks to identify and redress barriers to effective rural development that are caused by federal law, regulations, or administrative practices (NIRA, 1992). The process is activated if an impediment is linked to rural development and is highly specific. Procedurally, efforts are made to resolve impediments at the state level first. When an SRDC identifies practices
that it perceives as unjustifiable impediments to rural development that cannot be resolved at the state level, it brings them to the attention of the NRDC. Obvious state- or regional-level solutions must not be evident, and it must entail significant costs (Springer, 1992). When such efforts are unsuccessful, the Steering Committee of the NRDC tries to clarify the problem before referring it to the affected members of the PCG-WGRD for action. If necessary, an issue is referred to the PCG-WGRD as a whole, or it may choose to create a task force to work toward resolution (Springer, 1992). In one such case involving the creation of a single-loan application for businesses seeking to use multiple federal programs for rural development, the impediments group in Washington was able to facilitate requests by the Kansas Rural Development Council.

At an October 1992 conference on “New Approaches to Rural Development and Changing Perspectives on Governance,” the then-deputy undersecretary of agriculture for small community and rural development differentiated between the roles of the PCG-WGRD, the NRDC, and the SRDCs. He identified the PCG-WGRD as the political level where policy decisions were made. The NRDC (then MMG) is the arena where structures are developed and Washington operations are coordinated. SRDCs are where the bottom-up approach to rural development takes place (NAPA, 1992, p. 17). Within the states a bottom-up approach was to be used to generate ideas and energy for rural development (NAPA, 1992). These relationships circa 1992 are summarized below.

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<tr>
<th>Partner</th>
<th>Area of Responsibility</th>
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<tr>
<td>Policy Coordinating Group—Working Group on Rural Development in the White House</td>
<td>Policy role</td>
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<tr>
<td>National Rural Development Council (then called the Monday Management Group)</td>
<td>Development of structures, coordinate operations</td>
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<tr>
<td>State Rural Development Councils</td>
<td>Generate ideas, define rural development initiatives</td>
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The Rural Information Center: The rural initiative included a response to the call for improving rural policymakers’ access to information by strengthening the Rural Information Center (RIC). The RIC is operated by the National Agricultural Library (NAL) in partnership with the
Extension Service. Since January 1992 it has expanded its staff and its range of duties greatly through cooperative arrangements between NAL and the Department of Health and Human Service, the Farmers Home Administration, the Forest Service, and the Small Business Administration (Madigan and Vautour, 1991). The Department of Health and Human Services established a Rural Information Clearinghouse for Health Services as part of the RIC. The Small Business Administration’s Service Corps of Retired Executives (SCORE) and Farmers Home Administration provided resources to support the RIC.

Despite the efforts to structure the rural initiative in Washington, however, the Bush administration never clearly signaled its importance to the federal agencies. Walt Hill, the USDA deputy undersecretary for small community and rural development at the U.S. Department of Agriculture, guided the rural initiative largely without institutionalized support. Funding for the rural initiative and the SRDCs was obtained solely by voluntary contributions from agencies and programs. The budget situation was unstable. NRDC members are responsible for building federal support for the SRDCs in their home agencies. Confusion about the relationship between the MMG and the rural initiative office created some tensions between the two key Washington components (Outcome Monitoring Team, 1993).

The Rural Development Institute

Because SRDC members operate in an environment of interagency and intersectorial influence and decision making, new skills of collaboration, information sharing, and network building and maintenance were required. Thus, the Rural Development Institute (RDI) was established to provide leadership and strategic planning training and technical assistance for all actors in the rural initiative. The first two RDI training sessions were held in New Orleans and San Diego in March 1991. The purpose was to train SRDC members so that they could participate in the process of intergovernmental rural economic development (PIRD, 1990). Rural economic development and strategic planning were emphasized. The original RDI conferences, however, were deemed abject failures by many participants and were not repeated. Since then, the RDI appears to have found its niche working mostly by request with individual SRDCs on specific projects that require facilitation and by facilitating the initiative’s annual national leadership conferences. These
conferences serve as major conduits for the exchange of ideas among rural development councils.

**Demonstration Projects**

The rural initiative was expected to demonstrate effective programs and practices. To further this end, the 1990 Food, Agriculture, Conservation, and Trade Act (FACT) established two five-year pilot projects to test new models for improving rural development program delivery. Rural Economic Development Review Panels were available to help five states obtain state and local input in planning, prioritizing, and evaluating community business programs. Other sources of support for rural demonstration projects included the Rural Partnerships Investments Boards and a Rural Business Investment Fund, which were available to finance local rural business development projects in (up to) five states (Madigan and Vautour, 1991).

**Organizing the SRDCs: the Pilot States**

Although the early rural initiative spokespersons were proclaiming a "new paradigm" of responsive, intergovernmental, collaborative, and public-private partnerships to attack rural development, the early stages of implementation followed an all-too-familiar pattern. States were invited by the president to establish SRDCs. Once states accepted the invitations, the federal government convened the initial organizing meetings. Speakers and many of the participants at the organizing meetings were federal officials and state actors who were known by the meeting organizers. Three of the eight pilot state SRDC executive directors initially were "detailed" from federal agencies.

People who attended the original organizing meetings wanted answers to one overriding conventional question: What did the state need to do in order to secure future federal funds for rural development? The Rural Development Institute developed training programs for SRDC members without state input and paid (most of the) expenses for SRDC representatives to attend.

The pilot state SRDC organizing meetings were held in October 1990. The U.S. Department of Agriculture appointed organizers in each of the pilot states. In most instances, the organizer was the highest rank-
ing in-state official in the Farmers Home Administration. Following directives from Washington, the organizers blanketed their states with invitations to participate in the organizing meetings. Representatives from the rural initiative in Washington, led by the USDA deputy under-secretary of agriculture for small community and rural development, flew to the pilot states to join with governors, locally based federal officials, and other in-state notables from the private and public sectors to announce the launching of the rural initiative and SRDCs.

As one might expect, skepticism abounded at the organizing meetings. Few if any participants truly believed that the federal government would ever let go of its top-down powers to join SRDCs as equal partners. The experienced, in-state federal government agency managers who had established careers under a more traditional model of federalism were among the most skeptical. It is unlikely that anyone who attended the first eight pilot SRDC organizing meetings truly believed that the words “new paradigms,” “collaboration,” and “equal partnerships” that were being pronounced from the front of the meeting rooms would become operating principles. Instead, state and local people were there for practical reasons. Some had been directed to participate by their superiors, particularly in-state federal government officials. Others were there to protect turf, to be sure that their own agencies and agendas were not adversely impacted by any SRDC initiatives. The primary motivation, however, was the belief that future federal money to states for rural economic development would require participation in a SRDC; this expectation never materialized. People attended because they wanted to know what had to be done in order to access money from Washington for rural economic development projects.

During 1991, the original SRDCs struggled to establish themselves. The historical patterns of federal-state domination were in evidence during the first year of SRDC operations. The pilot SRDCs were instructed to develop mission statements, assess the economic development needs of rural areas in their states, develop an inventory of available rural development resources, and create a strategic plan. The pilot states interpreted these suggestions as further evidence of federal control. These products constituted a “bill of deliverables.” A few SRDCs took the mandates seriously, anticipating that compliance would improve their funding potential. Other states merely went through the motions, in some cases doing no more than photocopying documents produced
by other SRDCs. Progress reports were submitted to the PCG-WGRD at the end of fiscal year 1991.

Overall, the early strategies employed by the rural initiative were reflective of a self-help approach to economic development. States and the private sector were encouraged to develop strategic plans for economic development that utilized new federal-state-local-private collaboration to overcome historical government agency rigidity and turf protection. The emphasis was on bottom-up identification of rural development problems and solutions (Reid and Lovan, 1993).

Beyond the Pilot Phase

In October 1991, President Bush once again tried to promote his political agenda for the rural initiative. Bush invited the governors of all other states and territories (forty-five total) to participate (Hill, 1991). There was a reluctance in some states where the word “rural” did not carry positive political currency. Nonetheless, by spring of 1994, thirty-seven SRDCs are under way and another six states are considering establishing one. Despite these efforts, the Bush administration never gave the rural initiative much attention or visibility. The substantive and process agendas never really took hold, and the political agenda did not pay off.

One of the developments characteristic of the SRDCs that followed the pilot states is that they have been able to build upon the experience of the pilot states. Executive director meetings and annual rural development leadership meetings have provided forums for exchanging ideas. For instance, second-generation SRDCs have avoided the problem of SRDC co-chairs, which on the surface appeared to be a perfect symbol of the new collaborative relationship that SRDCs aspire to develop between federal and state actors. Yet the experience of the pilot states shows it to be unworkable. There has been liberal borrowing of strategies and exchanging of ideas between first- and second-generation SRDCs.

Another aspect of this second phase of the Rural Partnership has been moving toward collaboration among different state councils. One example of this is the emergence of the High Plains Trade Region. Key actors involved include the SRDCs of each of the states on a north-south line from North Dakota to Texas as well as the eastern ranges of Colorado, Wyoming, and Montana. Partnership participants from the various states have been cooperating to increase the regional, national, and
international trade prospects for enterprises in the High Plains Trade Region. In addition to a survey of present and potential programs to enhance export trade among the High Plains states, the SRDCs in those states have published a catalog of public and private export programs and an inventory of public assistance programs and innovative approaches to trade enhancement, including those that are available in urban areas but are not available in rural areas.

**Principles for the Partnership: Change through Evolution**

Although the rural initiative has been cloaked in the language, concepts, and symbols of new governance since the arrival of the Clinton administration, these were not its original principles or expectations. Some of its guiding principles have evolved, while others have been articulated after the fact in order to justify approaches taken and decisions made. Nor were the original principles articulated in Washington necessarily the same as the principles and expectations held in the states.

*Evolving Principles in Washington, D.C.*

The earliest hope for the rural initiative was that the federal government would become interested enough to address rural development—at all. It was not until 1990, for example, that NCARDP articulated what was all too evident: USDA devoted all of its time and resources to agricultural matters and was not doing enough (anything?) for the nonagricultural interests in rural communities. The rural initiative was conceived to change the way the federal government addressed rural development issues and make it more responsive to the needs of rural communities (NAPA, 1992, pp. 13–14).

Early on, the rural initiative was politically vulnerable because it was a George Bush, Republican initiative. Thus, its intergovernmental collaboration strategy served an important political purpose: it provided a way to skirt traditional political arenas and processes. Most of the action within the D.C. offices came through the support of undersecretary of agriculture Walt Hill and his staff by working without formal mechanisms to encourage interagency collaboration and encouraging rural actors within the states to get on with their deliberations.
Over time the rural initiative’s management support structures and roles have largely shifted from bureaucratic principles that emphasized command and control, state dependence on the federal government, mass production efficiencies, and standardized responses to public issues regarding rural economic development (NIRA, 1992) to a broader, more encompassing concern with quality of life factors in rural communities. The Partnership has instigated new management approaches to collective enterprises through the structures, roles, and process of the SRDCs, NPO, and the NRDC. In general, the support structures reflect current realities: no single agency nor any level of government has full responsibility or authority for rural development. Structures, processes, and roles emerge with the evolution of the Rural Partnership’s guiding principles. Using the language of 1994, rural development is being reinvented.

Rural Partnership evolved from an interagency working group under the jurisdiction of the Economic Policy Council into a restructured White House policy coordinating group. Ongoing management has been delegated to the National Rural Development Council. The NRDC—an interagency council, not a single federal agency — administers federal support for the SRDCs, including budgets, personnel practices, and evaluation (Springer, 1992). Many of the reinventing government notions that were popularized by Osborne and Gaebler (1992) “have been part of the Initiative from its very beginning” (NIRA, 1992, p. 3). The Partnership is mission-driven, not program-driven; results-oriented, not input-oriented; and it emphasizes a flexible, responsive, and forward-looking approach to problem identification and strategic planning. The Clinton administration has been trying actively to implement this type of management approach in other programs (Gore, 1993).

During the first eighteen months of the Clinton administration, there was some question among the National Rural Development Council whether it was prepared to back up its rhetoric with the political and managerial support needed to move the NRDC to another level of effectiveness. In spring 1994, a group of state and federal participants met with representatives from the Clinton administration and devised a compact of principles that would tie the NRDP to elements of the Clinton agenda and, at the same time, provide support for the effort. And individual NRDC members are acutely aware of the lack of recognition that their time spent on NRDC duties may legitimately substitute for their
other agency-specific duties. At present, NRDC members perceive that agency-based supervisors view their duties to be a lower priority "add-on" to their regular agency-specific duties (NRDC, 1994b). NRDC members are also aware that they lack visibility within the federal government and the nation as a whole—a circumstance that also is true of many State Rural Development Councils in their respective states (NRDC, 1994a).

Evolution of Principles in the States

SRDC Structure and Process

The SRDCs were the initial laboratories for designing and implementing the rural initiative. While the PCG-WGRD and the MMG were struggling to balance interests in Washington, the SRDCs faced a plethora of philosophical and practical decisions. There were no categorical grant guidelines or funds that could be used to mandate or entice skeptical state government administrators, bankers, farmers, or county commissioners into participating. There were no road maps to guide them in their searches for new ways to do federal-state-local-private collaborative problem solving. Each had to find ways to overcome or circumvent histories of failed federal-state-local "partnership" ventures, skepticism (if not outright cynicism), agency turf protectionism, and distinctive emotionally charged contexts that included spotted owls, severe economic recessions, and racial discrimination.

SRDCs learned quickly that problems could not be solved by calling Washington. For the most part, solutions from Washington were rejected in the various SRDCs. It also did not take long for people to discover that ideas and strategies that appeared to work in other states often were dismal failures when imported. Yet learning occurred from experiences within SRDCs and states, and among SRDCs and the various rural initiative offices and groups in Washington. Thus, the evolution of each SRDC is a unique story about people in a few states who invested themselves in these early SRDC experiments—experiments in what would be labeled a few years later as new governance.

Even though early participants in the rural initiative had some previous experience with federal-state partnership ventures, each had to develop a new vision of rural development as well as the structures and processes for implementing the vision. Thus all SRDCs have had to struggle with complex philosophical-practical issues of: participation rights
(membership), *entitlement rights and formal leadership* (allocation of power among participants), *operating structures* (committee of the whole, permanent committees, project-specific task groups), *decision processes*, *SRDC in-state role* (particularly in relationship to existing substate economic development groups, governors, and state agencies), *council-staff roles*, *autonomy with accountability, self-sustaining momentum, and distinctive identity* (strategic foci).

At this writing, the SRDC experiments are ongoing. Searches for new workable “partnership” solutions continue. With time, a few solutions have been institutionalized but many others have been discarded. Structural concerns have been resolved by process innovations and vice versa. The breadth and magnitude of these issues and the diversity of SRDC solutions are impressive.

*Participation Rights (Membership).* Although the Bush administration envisioned the rural initiative as a federal-state-local-private partnership, few SRDC participants could envision federal government administrators or agencies “coming to the table” as equal partners. There were too few exceptions to the history of money and control “flowing downhill from Washington.”

Inclusive versus exclusive membership is an additional dimension of the participation rights issue that has been addressed in different ways by SRDCs. Texas and New Mexico’s exclusiveness were mentioned earlier, and South Carolina followed the same pattern. Originally, the South Carolina SRDC was an “insider’s club.” Membership was restricted to cabinet-level federal agencies and appointees of the governor, who were connected to informal networks of rurally-focused actors and agencies.

Most of the other SRDCs, however, opted for inclusiveness from the beginning. Oregon’s criteria for membership, for example, were an interest in rural development, holding a policy level or decision-making position, and having the time and willingness to serve. Anyone who expresses interest in or attends a meeting of the Maine SRDC is added to the mailing list and considered a member. Operationally, membership on the Maine SRDC is defined as an individual’s or organization’s decision to participate in some activities. Oregon and Maine would never have considered or tolerated the control over entry to membership that were adopted initially in New Mexico, South Carolina, or Texas.

Structures evolve as participants learn and conditions change. Texas
and South Carolina are examples of SRDCs that decided their original designs were not adequate. Both have become more inclusive bodies.

Entitlement Rights and Formal Leadership. Membership does not necessarily guarantee rights of entitlement—to participate in decisions that affect the allocation of resources. The opportunity to exert leadership often was limited to SRDC members who represented certain constituencies with significant stakes in the issues, usually federal or state agencies. For example, in Texas, at first only federal agency representatives could be elected as chair or to the executive committee. In contrast, in New Mexico, the lieutenant governor chairs the council. Few executive committee positions were allocated to federal agency persons until the federal officials decided to organize a caucus, elect caucus officers, and began to meet monthly. Shortly thereafter, the New Mexico council decided to allocate two additional seats to federal agencies. Although federal agency members of the South Dakota council are eligible for executive committee positions, they have tended to be somewhat passive, often deferring to more influential state officials and private-sector representatives.

Access to formal leadership positions varies widely among SRDCs. Most SRDC executive councils have representatives from at least three sectors. Several states have opened formal leadership positions to federal and state agency representatives—but not to representatives of any other sector. The bylaws of the Kansas and Maine RDCs, for example, originally specified federal and state co-chairs in order to facilitate federal-state coordination of funds and programs. When the cochair arrangement proved unwieldy in Kansas, it was dropped. Maine continues with cochairs; access to leadership continues to reflect the realities of the political power of state government and the importance of federal funding for rural development in this state.

Washington State’s history of leadership further illustrates the process of SRDC evolution through never-completed searches for workable strategies. During the first year of the council, federal agencies were dominant. During the second year, however, the notion of “constituency groups in equal partnership” evolved. Ever since, the chair position has rotated among representatives of the RDC’s six major sectors. The 1992–1993 chair represented nonprofit organizations: The 1993–1994 chair was a member of the tribal government of the Squaxin Island Nation.
Operating Structures. Most SRDC committee structures have evolved through distinct stages. Structures that were instituted in an SRDC’s first year often were found lacking in its second or third year. For example, the pilot SRDCs were urged to develop strategic plans during their first year (1991). They formed committees to produce draft mission statements, conducted needs assessments, identified demonstration projects, and drafted strategic plans that were submitted to Washington.

By mid-1991, most of the SRDCs had begun to develop a loose initial sense of strategic direction. A second stage of committee development thus reflected the results of these early attempts at strategic planning. For example, the Maine Council adopted six “action plan” themes in summer 1991: coordination/cooperation, human resources, physical infrastructure, business development, leadership, and natural resources development. Six permanent committees were formed to develop and implement each action plan theme. One year later (summer 1992), the permanent committee structure was declared a failure and was abandoned. It had never worked as planned. The permanent committees (except the executive committee) were abandoned and replaced with project-specific working groups. In this third stage of committee development, working groups disband when projects are completed.

In contrast to the broad-scope 1992 permanent committees, the 1994 working group titles reflect clear purposes, narrower scopes, and an action orientation. For example: secondary forest products value-added; technical assistance in leadership development for the Maine potato industry; and strategic planning for a military base closure community.

Commitment to balance among constituencies’ interests also has been played out in many ways, as in Washington State. Oftentimes during the early years, assignments to committees were based upon individuals’ expressed interest in a topic rather than expertise in the area. This particular form of participative egalitarianism proved to be unworkable. Although committees of people who recognized the importance of a particular issue as it related to development usually were highly motivated, too often members did not possess adequate expertise. Committee work lacked legitimacy. The Kansas Council committee assignment criteria thus evolved to assignments based on expertise and the centrality of agency involvement in program implementation. Individuals are invited to serve on committees where they can make strong contributions.
Decision Processes. Most SRDCs have operated with a consensus model of decision making, recognizing that SRDCs lack formal power or authority, and that the nature of their actions requires broad support from all major actors. The Oregon council uses a consensual decision model. Other SRDCs, including Kansas, follow a loosely structured parliamentary process that invokes motions and voting only after lengthy deliberations.

Council-Staff Roles. Each SRDC has had to face numerous thorny questions about council-staff roles, relationships, and accountabilities. The executive director position has been at the center of many difficult decisions. Is the paid director staff to the executive officers and to the executive committee? To what extent are SRDCs to be led by elected leaders who represent major constituencies or by paid executive directors? To what extent should executive directors be out-front visible leaders or behind-the-scenes support staff to elected SRDC leadership? Can executive directors be responsive and accountable to their council when their administrative base is in "a home agency"—federal or state—especially since the future of funding for SRDCs has been uncertain ever since their inception?

In several pilot states (including Kansas, Mississippi, and South Carolina), executive directors were detailed from—and paid by—their federal agencies. This practice allowed the SRDCs to avoid paying their executive directors from budgeted funds. The arrangement, though, raised complex questions about equity and accountability. For example, the U.S. Department of Agriculture has recommended that SRDC executive directors should be appointed at the level of GS-14 or GS-15 (if they are federal employees, or at an equivalent salary level if they are state employees). This level of grade and salary expectation has caused considerable difficulty and resentment in several states. The pay scale for federal officials is vastly out of line with local pay scales in most rural states. Complaints about a "GS 15 executive director being paid $70,000 a year to run the photocopy machine" were not uncommon. Also, executive directors who hold federal appointments must be evaluated according to federal guidelines using appropriate federal forms. Even the executive directors who hold state government appointments must have their performance evaluation "signed off" by federal officials in Washington. To whom are they most responsive and accountable? In New Mexico, where the lieutenant governor chairs the council and the
governor appoints all state members, accountability and loyalty are unambiguous.

Vermont, Utah, and Maine SRDCs conducted open searches for executive directors to be hired as state employees, largely to prevent these types of problems. Once an executive director is assigned administratively to an agency (a practice that is required by the Rural Partnership Office), however, similar questions of accountability and loyalty almost always resurface.

**Self-Sustaining Momentum.** From the first, SRDCs have had to live with uncertain futures. They have needed to develop self-sustaining momentum. There is some question about whether and how SRDCs would survive if federal funding were to cease. SRDCs are still new enough to be vulnerable during leadership transitions within the SRDCs and, perhaps more important, among governors and national administrations. These issues remain as challenges for SRDCs.

**Distinctive Identity/Strategic Foci.** The focus of the Rural Partnership has been on knowledge-driven decision processes in pursuit of new ways to stimulate rural development through intergovernmental and public-private partnerships. The SRDCs have developed their own approaches, strategies, and “identities” in pursuit of this vision. In most SRDCs, deliberations have tended to yield much broader definitions of rural development than the original Bush administration emphasis on rural economic development. Once again, however, SRDC solutions have varied with changes in leadership and swings in state economic conditions, as well as among SRDCs. For example, Washington State has needed to face up to the presence of natural resource and rural issues on a grand scale, while its agricultural industries have fared well in the 1990s. Thus, its SRDC has had difficulty finding a role and identity for itself in areas that affect rural counties.

When the South Carolina council emerged from its initial strategic planning process in 1992, it adopted an ambitious action plan that included twelve “strategies” that collectively comprised a broad definition of rural development. The Maine council has followed a circular path toward establishing its niche or identity. Initially, it adopted a broad definition of rural development that included community climate, health care, transportation, and public education as integral components of long-term rural development. With the onset of a severe reces-
sion late in 1991, however, economically-driven political pressure forced the council to refocus on short-term, highly visible, economic development projects. It was not until the recession bottomed in 1993–1994 that the SRDC was able to once again begin to expand its operational definition of rural development.

This tension between a short-term project approach and a longer-term planning process approach has confronted most SRDCs. Some have tried to circumvent it, while others have faced up to it directly. Vermont, for example, employs a strategy that consciously includes a mix of short- and long-term projects—hard and soft projects. Short-term projects and long-term planning are iterative, allowing each to inform the other.

For several years, the South Dakota council devoted almost all of its energy to the elimination of federal barriers to rural development. There is a strong anti-federal regulation feeling on the part of many South Dakotans, and they have seen the council as a vehicle to help reduce such “impediments to their freedom.” South Dakota’s impediments removal process has involved serious deliberation and action on some fifteen barriers, mostly concentrated in environmental protection regulations and regulations affecting private business. Thus, the South Dakota SRDC’s identity was inexorably linked with one strategic focus at least through 1993. “Impediments removal” was the overriding motivation for forming an SRDC in several states, including Washington and Utah. Unlike South Dakota, though, Washington State broadened its focus during its first year. The Utah council did not become operational until 1994, thus its directions are not yet clear.

Finally, several SRDCs have wrestled with the question of whether they are (or should be) entities with identities, missions, and operational structures—in essence superagencies. Proponents of SRDCs as entities argue, for example, for allocating energy and resources to newsletters and other activities that increase SRDC visibility and public recognition. An alternative view that predominates in Kansas and several other states holds that SRDCs are links between agencies (permanent systems) on issues that cross agency or jurisdictional boundaries. Thus, SRDCs are temporary systems or organizational networks that exist only to meet specific needs that are broader than any single agency mandate.
New Governance and Intergovernmental Relations

As noted earlier, the Bush administration rural initiative was experimenting with intergovernmental collaboration and a decentralized approach to problem definition and solution before the Clinton administration came into power. When the Clinton administration announced its focus on new governance as its strategy for invigorating the public policy process, it noted the rural development focused reforms within the U.S. Department of Agriculture as an example of new governance at work.

In many regards, the Rural Partnership’s management support structure has reflected guiding principles that have evolved in Washington, D.C., and in the states. Early on, the pilot states tended to be highly dependent on their assigned desk officers in D.C. As the SRDCs matured, however, the principles of federal-state cooperation and state autonomy evolved into realities, and the role of the desk officers changed. Several management practices initiated by the National Partnership Office supported the transition from SRDC dependence to interdependent relationships. Loaned desk officers, for example, were rotated back to their home agencies. In short order, SRDCs began to realize that they knew as much—if not more—about the rural initiative than their desk officers. Dependence decreased.

The Partnership has provided an opportunity for national leadership in crafting strategies that are not limited to rural development. The significance of the Partnership is for intergovernmental relations: structures, roles, and processes for twenty-first-century challenges. The new governance principles that have evolved with the Rural Partnership include the notions of:

- Government as enabler in consensus-building process
- Government as proactive
- Government acting entrepreneurially to achieve a mission
- Citizens as customers
- Measure success by results achieved
- Focus on long-term planning
- Form alliances and collaborative partnerships
- Decentralize authority (NIRA, 1992, p. 4)

The Rural Partnership has resulted in significant decentralization of
responsibility to state-level entities. Barriers to long-term rural economic enhancements have been targeted. Steps have been taken to introduce new governance principles into the management of rural development policies and programs (NIRA, 1992).

Major challenges remain, however. Too many federal agencies continue to operate from a program-driven mentality. Short-term projects rather than long-term strategies guide governmental actions. Most of government remains rigid and lacking in innovativeness (NIRA, 1992). The challenge of changing organizational cultures from program-focused, risk-averse cultures to those that encourage and reward entrepreneurial behavior is a substantial one (Light, 1995).

New governance has emerged from public impatience with government. Citizen expectations are changing, government responses are lagging, and there are mismatches and fragmentations in policy process (John and Lovan, 1992). New governance focuses on participants, purposes, means, and politics. As a mini-laboratory of new governance, the Rural Partnership focuses on:

- Participants. The participants are federal, state, local, tribal, private, and not-for-profit sector agency representatives.
- Purposes. Their purposes are to build a knowledge-based information system to strengthen rural development.
- Means. Their means is bottom-up collaboration and training for managers to adopt more entrepreneurial approaches to problem definition and problem solving.

In the language of new governance, the federal government can steer but it cannot row (Osborne and Gaebl, 1992). The politics are those of expanding political bases by engaging new participants (John and Lovan, 1992). The Clinton administration has been striving to build the capacity for new governance among departments and agencies of the federal government, within individual departments and agencies, among levels of government, and with the private sector. An August 1993 memo from Vice President Gore to cabinet-level secretaries regarding Community Empowerment Initiatives provides an example. This initiative would involve the U.S. Treasury, Small Business Administration, Commerce, Environmental Protection Agency, Housing and Urban Development, Agriculture, Office of Management and Budget, Transportation, Labor, Justice, Education, and Health and Human Services (Gore, 1993).
The rural development challenge is to revitalize local and regional areas by responding to changing economic conditions. The intergovernmental “challenge [is] to find indicators of success in accomplishing missions and goals so that state or federal authorities can hold implementors accountable for results, rather than just for trying” (John et al., 1994, p. 172). In order to do so, new approaches are needed to overcome barriers to rural development, including better access to information regarding business planning and development and national and international competition and developing a more educated workforce. Federal efforts need to recognize the utility of local solutions and avoid the futile federal mind set of “one size fits all” (Harman, 1992).

The change of administration pushed the National Rural Development Partnership to define its own needs as it sought support from a new administration. It argued that it needed high-level policy leadership to build upon the success achieved thus far in developing interagency collaborative networks. In particular, according to the group, the Partnership needs “explicit policy support to provide legitimacy and responsibility for the Partnership to work across agency lines,” a policy statement on expectations from the office of the undersecretary, Department of Agriculture, interdepartmental subcabinet recognition and support; and access to and participation of departmental policy decision makers as well as support for departmental staff to spend time on National Council activities (NRDC, 1994b, pp. 4–5).

Conclusions

The rural development enterprise, which started during the Bush administration and has continued under the Clinton administration, began as a modest initiative to signal an interest in rural economic development without spending too much political or financial capital. The interagency collaborative initiative has evolved a dynamic of its own, one that takes seriously a decentralized, collaborative, entrepreneurial approach to rural development. Not only has there been a participant-generated expansion of the roles they can play in rural development, but there has been a substantial broadening of the focus of rural development councils from the original, relatively narrow focus on economic development. Now the focus is on the multifaceted components of the quality of rural life, including health, education, and environment, as
well as economic stimuli—with an emphasis on leadership development and building capacity to solve problems and influence the future quality of life for rural communities.

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Additional Readings
