



## Regional Solutions for Rural and Urban Challenges

### Insights #1

## The Evolution of Rural and Regional Thinking

This *Insights* brief is one of a series produced as part of the *Regional Solutions for Rural and Urban Challenges* project led by LOCUS Impact Investing with funding support from the Robert Wood Johnson Foundation. The project explores the possibility that regional collaboration and solution-seeking can be an effective way of improving social and economic opportunity and health for all people and places within a region. We asked this question: Under what conditions are regional collaboration and solution-seeking approaches most effective in improving social and economic outcomes? We saw this as a counterpoint to the prevailing narrative of growing divisions between rural and urban populations along economic, social, cultural, and political lines.

Our approach to the *Regional Solutions for Rural and Urban Challenges* project was in part shaped by the rich literature<sup>1</sup> on rural-urban connections and linkages and on regional collaboration and governance. Regional thinking is evolving from top-down, government-driven, highly structured efforts to impose regionalism as a means of tackling large-scale challenges, such as entrenched poverty and economic restructuring, to what is called “new regionalism.” This describes approaches that embrace ideas such as multi-level governance, place-based development, integrated development, and rural-urban interdependence.

Thus, collaboration and coordination across sectors and levels of government, a focus on identity and regional assets, the connection of social, economic, and environmental considerations, the bridging of urban and rural, and continuous learning and innovation, have become important components of a regional solutions approach. Over the past 20 years, several studies and initiatives have sought to document, reframe, or implement some or all these components. The *Regional Solutions for Rural and Urban Challenges* project seeks to shine further light on how rural America fits into this thinking and specifically the interactions between rural and urban places and people. The literature points to the importance of policy and perceptions, economic, demographic and spatial dynamics, history and inequities, and capacity and inertia in determining the evolution of rural and regional thinking.

### Policy and Perceptions

Common perspectives and images of rural America tend to be based on, at best, partial reality, including that it is predominantly reliant upon agriculture. Far from being homogenous and undifferentiated, rural America is vast, complex, diverse, and evolving. The often-stated view that urban America thrives while rural America struggles is not supported by the data. In fact, economic growth and opportunity is uneven across the rural-urban continuum. There are struggling urban places and prospering rural places.

The way ‘rural’ and ‘urban’ are defined has profound implications for policy, resource allocation, and program design. Despite obvious limitations and the availability of alternatives, most public policymakers and academic researchers use federal definitions that make hard and fast distinctions between urban and non-urban, metropolitan and non-metropolitan – rural being a residual category.

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<sup>1</sup> See *Literature Review and Research Methods*.

### **Economic, Demographic, and Spatial Dynamics**

Most research rejects the notion of a simple rural-urban dichotomy and points to the shifting, crossing, and blurring of boundaries between rural and urban. New ways of describing the areas where urban and rural meet and mingle have emerged. They highlight the dynamic nature of rural-urban interactions fueled by contact between multiple and divergent interests.

Rural-urban interactions and specifically locational patterns of economic activity are products of comparative advantage, economies of aggregation, and costs of transportation and communications. This results in the economic dominance of cities as a strong and continuing centralizing force, rural-urban interactions primarily benefitting urban centers, and commuting as the most visible form of interaction. Rural economic development strategies for rural places within commuting distance tend to favor greater integration with the urban economy, while local asset-based economic and entrepreneurial development are the focus for more remote places.

Current thinking on rural-urban interdependence emphasizes that interactions can be both positive and negative, and indeed that interdependence may be an underlying cause of many rural-urban conflicts. Thus, economic, organizational, and development decisions made without a rural lens may have a range of unintended social, economic, environmental, and identity consequences. Some evidence highlights the positive roles that small towns and micropolitan areas can play in facilitating rural-urban connections, with benefits accruing to low-income households and long-time rural residents. They may also support upward economic mobility of low-income youth. Suburbs can act as bridges between rural and urban places, with exurbs representing a blend of urban and rural values, cultures, and landscapes. However, in certain places, development pressures and newcomers lead to struggles over identity and competing visions for the future.

### **History and Inequities**

History plays a large role in shaping a place and its development, not just in its physical form, but in the deeply embedded ideas, norms, and values that local people take for granted. These influence the way in which local structures, institutions, actors, and processes confront and respond to external economic, political, cultural, and environmental shocks. Seemingly benign policy changes can produce unexpectedly divisive reactions.

History also shaped the policies, practices, and investment patterns that conferred benefits on some people while imposing burdens on others. Established systems reinforce entrenched poverty and racial inequalities that generation after generation worsen health outcomes and increase community vulnerability. A lens of regional equity focuses on how life chances and health outcomes can be addressed for all people wherever they may live on the rural-urban continuum.

Poverty is a feature of both rural and urban places, although rural places have suffered generations of relatively higher poverty and lower income rates especially in more remote areas. These have been compounded by environmental injustice associated with location of land uses and functions not wanted in urban areas. Rural areas are becoming increasingly racially diverse, and social and capacity challenges are observed where this shift is recent. There are also indications that residential sorting takes place with whites and minorities concentrating in different rural locations.

## Capacity and Inertia

Complexity and dynamism of rural-urban interactions raise questions about the ability and capacity of governance structures. Of major concern is fragmentation of government that inhibits collaboration to tackle region-wide issues and creates inefficiencies, costs, externalities, and conflicts. A range of regional governance tools have been developed and employed to mitigate the effects of fragmentation, ranging from formal regional authorities to collaborative groups and councils to more informal networks.

Obstacles to regional collaboration include potentially high transaction costs, imbalances in preferences, resources, and power across a region, and often fundamental differences in philosophy between cities, suburbs, and outlying rural areas. An important tension exists in this regard as communities seek to adopt regional perspectives to tackle large-scale issues while also wishing to preserve association with a community or place – sometimes described as finding the balance between collective action and local autonomy.

Please visit <https://locusimpactinvesting.org/what-we-do/rural-work/regional-solutions/introduction/regional-solutions.html> to see all the materials produced for the *Regional Solutions for Rural and Urban Challenges* project.

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