

Rural Development in Theory and Practice

Making a [Small] Difference in [Small] Local Economies

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- 1 Community Development vs Economic Development
- 2 How is *Rural* Economic Development Different?
- 3 Strategy 1: The Community Capitals Framework
- 4 Strategy 2: Placemaking and Revitalization
- 5 “But Does it Work?” – aka. Good Evaluation is Hard to Do!
- 6 Takeaways & Discussion



What is Economic Development?



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- How we approach economic development depends largely on our preference for dealing with *is* versus *ought*. The latter is inherently a matter of **values**.



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- **Problem:** Rural communities don't always have the budget to hire full-time practitioners in community development and economic development.



Community Economic Development

A more practical approach for rural communities



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- A community-centered process that blends social and economic development to foster the economic, social, ecological and cultural well-being of communities



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- A community-centered process that blends social and economic development to foster the economic, social, ecological and cultural well-being of communities
- Aimed at “enhancing the economic opportunities of community residents” (Deller, 2020)
- **Goals include:**
 - revitalize communities
 - develop/rehabilitate affordable housing
 - promote sustainability
 - attract investments
 - build wealth
 - encourage entrepreneurship
 - create jobs



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Economic Developers

What Do They Actually Do?



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 - **Planner** – work with community to decide which opportunities to pursue, how to pursue them, and how to make the community a more attractive option for businesses and workers (community development)



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 - industry diversity (the number of sectors that a region specializes in) is relatively low
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- There are inherent trade-offs between the benefits of metropolitan vs. rural: it might be much easier to “get things done” in a smaller community with fewer administrative hurdles, but it is also much harder to pay for basic improvements in smaller towns.



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- Agglomeration is more efficient!
- Density leads to:
 - Lower costs for materials (input sharing)
 - Easier search for workers (labor pooling)
 - Learning from each other's mistakes (knowledge spillover)
- Businesses must weigh the pros and cons of a given rural “market area” in terms of its size and density (**more ground to cover + fewer people to serve**)



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Rural Places Must Exercise Caution



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Rural places may not have the luxury of focusing on the newest wave(s) of economic development. McAlester, OK does not share the same set of assets as New York City or even Oklahoma City!



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Community Capitals Framework



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- “Offers a way to analyze community and economic development efforts from a systems perspective by identifying the assets in each capital (stock), the types of capital invested (flow), the interaction among the capitals, and the resulting impacts across capitals” (Flora et al., 2005).



Community Capitals Framework

- “Offers a way to analyze community and economic development efforts from a systems perspective by identifying the assets in each capital (stock), the types of capital invested (flow), the interaction among the capitals, and the resulting impacts across capitals” (Flora et al., 2005).
 - natural capital
 - cultural capital
 - human capital
 - social capital
 - political capital
 - financial capital
 - built capital

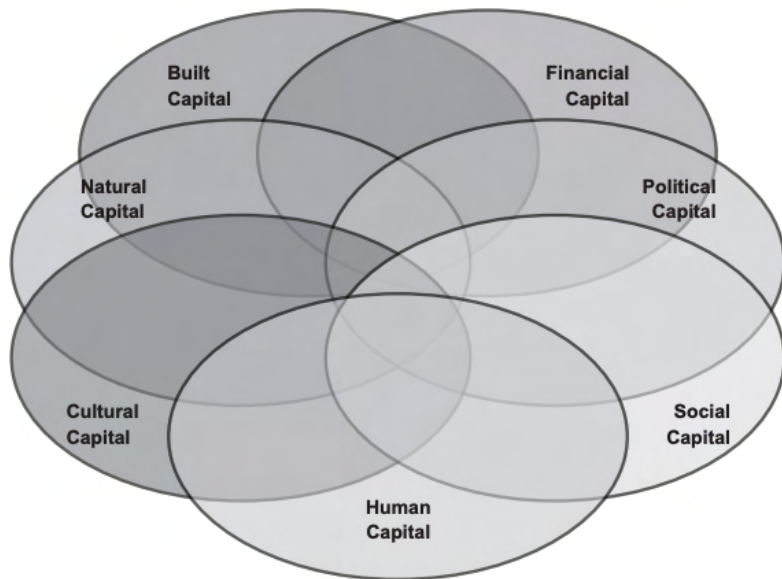


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- Each type of capital has been theorized and studied long before the “community capitals framework,” but rural sociologists Flora & Flora were the first to combine them all and study them in terms of **systems**.



Community Capitals Framework



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- Natural capital is not always a positive asset: aspects of the natural environment are key enablers *or* constraints of how the built environment was developed



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Cultural Capital



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- Unique culture can be an attractive feature of a community, yet culture can also isolate or repel potential visitors



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Human Capital



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Human Capital



- The skills, experience, and knowledge of those within a community (Becker, 1964), as well as the capacity of those institutions that contribute to *increases* in local skills, experience, and knowledge.



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- Public health and cultural norms (such as loyalty and punctuality) both play a significant role in the value of human capital, as sick/injured or lazy workers are not as productive.



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- Entrepreneurs require social capital in order to fulfill their vision or business ventures; economic developers can help them tap into relevant networks.

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- Political capital also refers to the ability of people to “find their own voice and to engage” in the civic sphere
- Government is geographically defined: spending needs to happen *somewhere*. Places with political capital usually happen to find themselves as beneficiaries of federal expenditures.



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Financial Capital



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- Also consists of a communities capacity to raise funds for necessary local expenditures, such as infrastructure improvements and other economic development strategies



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 - **Functionality:** how well does it work? will it need replacing soon?
 - **Distinctiveness:** does it look identical to other nearby communities?
 - **Sense of Place:** are the buildings, landmarks, and infrastructure integrated neatly into the urban fabric? do streetscapes they provide pedestrians with a sense of “completeness” or enclosure?



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- Placemaking builds from “place attachment”—the bond between people and places—in the process of creating quality places where people want to live, work, and play.
- A key goal of placemaking is to create greater economic, social, and cultural vitality in rural communities aimed at improving people's social, physical, and economic well-being.



Why Care About Placemaking?

The Value of Downtown



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- Downtown is the “living room” of a community. When a guest walks into your house and sits down, how do they form their first impression?



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- Downtown is the “living room” of a community. When a guest walks into your house and sits down, how do they form their first impression?
- The quality of your town’s Walmart reflects back on Walmart. But like it or not, the quality of your town’s central business district reflects back on your town.



Why Care About Placemaking?

The Value of Downtown

- The town square (or downtown) is usually the geographic center of a community. But is it still the center of economic, social, and civic activity?
- Downtown is the “living room” of a community. When a guest walks into your house and sits down, how do they form their first impression?
- The quality of your town’s Walmart reflects back on Walmart. But like it or not, the quality of your town’s central business district reflects back on your town.
- Placemaking alone does not create jobs, but it helps “clean the living room” of your community, transforming it into a place worth investing in. *Place* is inextricably linked to economic vitality.



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What is the Main Street Program?



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- The Main Street Program (MSP) is a quintessential example of rural placemaking. It seeks to reshape the built environment (streets, parks/plazas, historic buildings, etc.) into a thriving asset, hopefully spurring investment based on a strong sense of place.



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- Placemaking efforts like the MSP are hard to quantify because 1) they are small-scale, 2) there is no central hub for data, and 3) it is not always clear what to measure: is economic vitality only measurable in terms of jobs, or are there other ways to quantify the impact of placemaking?



My Research on Placemaking & Downtown

An Entire Dissertation in Three Bullet Points



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- **Study 3:** found that most businesses in the rural Midwest were more likely to struggle (and even go out of business) when located near a downtown business district; BUT in communities with a strong set of cultural anchors (i.e., revitalized downtowns) **businesses had higher resilience and longevity**



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Evaluating Place-Based Interventions



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Evaluating Place-Based Interventions

- Zooming Out:



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- The Main Street likely didn't "jumpstart the economy" or shift the trajectory of the region
- It *did* change the relative position of the downtown housing submarket, helping transform it into a local amenity



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- This is especially true when you're the first to try and answer a question. It's important to lay the foundation for future work.



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Multiple Ways to Measure “Success”

The Benefit of Triangulation



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For the Main Street Program, success may take the form of new customers attracted, vacant storefronts rehabilitated, federal grant dollars secured, or simply an improvement in residents’ perceptions regarding the vibrancy and attractiveness of downtown.
- **Evaluation is hard but necessary!** In one of the earliest issues of the *Journal of Planning Education and Research*, Rojean Madsen (1983) reminded planners that there is no substitute for equipping decision makers with pragmatic knowledge, rich with local context and actionable implications.



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 - Cutting-edge experimental & statistical evaluations have their place, but that they are only appropriate “after descriptive and initial quantitative comparisons of program context and success have suggested the types of variables and the theory most relevant to the policy problem.”



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 - Cutting-edge experimental & statistical evaluations have their place, but that they are only appropriate “after descriptive and initial quantitative comparisons of program context and success have suggested the types of variables and the theory most relevant to the policy problem.”
 - Providing policy makers with evidence-based knowledge requires planning researchers to confront the **inherent trade-off between sophistication and expediency**. Analytical rigor and discipline, however, should never be sacrificed.



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Takeaways



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- Be comfortable with **trade-offs**. You can't have it all, so you must decide what is best.
- Start from **where you are**—i.e, what assets do you have to work with?—and then move toward **where you want to be**—i.e, what assets would you like to cultivate?



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Discussion Questions



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- Do planners need a separate playbook for rural areas?
- What challenges have you encountered in evaluation? Have you had to “make do” with sub-optimal data?



Thank You!

Andrew J. Van Leuven

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(Happy to serve on Ph.D. committees if you need/want an outside member)



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