

Eight Principles For Effective Rural Governance... And How Communities Put Them Into Practice

Foreword

The quest for effective governance, particularly at the local and regional levels, is one of the many challenges facing rural America. Happily, effective governance also is one of the best opportunities for shaping a vibrant future for rural communities. Who makes the decisions and the way that they are made lies at the heart of a healthy democracy. But in too many parts of the country, especially outside of metropolitan areas, democratic traditions and principles often are threatened by remote, exclusionary and ill-informed decision-making. For 15 years, the Rural Policy Research Institute (RUPRI) has focused attention on the impact of policies on rural America and has provided a safe space for dialogue on critical issues. Effective governance has been, and will continue to be, at the center of RUPRI's vision for rural America.

In early 2004, RUPRI and CFED (formerly the Corporation for Enterprise Development) entered into a joint endeavor to identify the principles that underlie good governance at the community level. RUPRI engaged Nancy Stark, an experienced observer of and advocate for small rural towns and communities, to lead this endeavor. Known as the Rural Governance Initiative, this project uncovered many exciting innovations across rural America, often in unexpected places. The initiative also identified a set of eight principles of effective governance, which were described in a RUPRI working paper *Effective Rural Governance: What Is It? Does It Matter?* An updated version of that paper comprises the first section of this report.

The desire to test these principles on the ground led to a proposal to the Northwest Area Foundation for a project located in the Foundation's eight-state region. Thanks to the foresight of Karl Stauber and Ellery July, the foundation committed resources to launch the Community Clustering Initiative, a three-site demonstration in Oregon, South Dakota and Washington. The results of the demonstration are presented in the second part of this report.

We are very grateful not only to the Northwest Area Foundation, but also to the community partners who dove into the project with considerable enthusiasm and energy. In particular, special thanks go to cluster encouragers Joe Baisch, Heidi Nogy, Jessica Schoenhard and Adam Zimmerman, and to regional intermediary staff, Bob Ault, Katherine Baril and Beth Davis. We also are indebted to the community

participants who willingly gave up their time to experiment with technologies and unfamiliar concepts and to apply the governance principles on the ground.

I hope that this work on community clustering will spark interest and further development among the policymaker and philanthropic communities. RUPRI will continue to explore the many dimensions of rural governance, including the role of intermediaries and the implications of regional governance for urban-rural cooperation. We intend to look at rural governance issues as they relate to other parts of the RUPRI portfolio in health, entrepreneurship, human services and telecommunications. Indeed, our work on entrepreneurship development systems itself stimulates regionalism, collaboration and inclusiveness, the very bedrock principles of rural governance.

Finally, I would like to thank Nancy Stark for her determination to translate what was a somewhat amorphous concept into a tangible set of principles, and then apply them in three rural regions. Working with considerable time and budget constraints, she achieved her goals with humor, grace and insight. She has produced a report that is both enlightening and useful.

Brian Dabson
Columbia, Missouri
July 2006

Part I

Effective Rural Governance: What Is It? Does It Matter?

Part I of the report defines effective governance, explains why governance is suddenly in the spotlight, and details and illustrates eight key principles of effective rural governance.

In the medically underserved region of northern Idaho, working families now receive quality health care at a regional center staffed by physicians, dentists and mental health professionals recruited to the area.

In California's rural, multicultural North Coast, a four-county region no longer supported by resource-based industries is now sprouting first-generation entrepreneurs.

In a northern Maine region plagued by population loss, community leaders now understand the region's unique economic clusters and are building business development linkages across the Canadian border.

In a Minnesota region devastated by timber and mining industry declines, rural residents now profit from the region's one-stop worker training resource and new private sector investments.

Why are these encouraging events occurring in such economically challenged rural places? To what can we attribute these improved social and economic outcomes? What are the underlying lessons for rural leaders and policymakers?

For two years, the Rural Policy Research Institute (RUPRI) investigated these very questions. The RUPRI Rural Governance Initiative (RGI) wanted to understand how rural people and institutions make decisions about their collective well-being, or, in other words, the process of *governance*. RUPRI sought to strengthen the decision-making process in rural communities, especially in struggling regions.

Earlier research and community success stories suggested that answers to these questions didn't lie with a powerful funding program, a novel development strategy or an exceptional individual. In these places, as in many others, the push towards prosperity derived from a shift in governance – explicitly, shifts towards more *effective governance*.

Governance isn't a novel term for something rural communities already do nor is it a fancy synonym for community development. Effective governance is an amalgam of

specific practices that *make the difference* between stagnating and flourishing communities. Because effective governance is so inexorably linked to rural prosperity, RUPRI was determined to explain governance to community leaders, practitioners and policymakers in understandable and actionable terms.

[Sidebar] **RUPRI's Focus on Rural Governance**

Rural governance is a key concern of the Rural Policy Research Institute (www.rupri.org) based at the University of Missouri-Columbia. RUPRI conducts policy-relevant research and facilitates public dialogue to help policymakers understand the impact of public policies and programs on rural areas. Many policies that are not explicitly "rural policies" nevertheless have substantial implications for rural places. RUPRI's rural efforts focus on poverty, health, entrepreneurship, telecommunications, welfare reform, community informatics and other policy issues.

Over a two-year period, the RUPRI Rural Governance Initiative:

- researched the relationship between the way that decisions are made (and with whom) and the results that are achieved in the long-term;
- validated how governance affects economic and social outcomes;
- facilitated governance conversations among community leaders, practitioners and policymakers;
- disseminated guidance on effective local/regional governance practices; and
- proposed public policies that encourage and support effective governance practices.

Several organizations contributed to the RGI's accomplishments, including the RUPRI Center for Rural Entrepreneurship (www.ruraleship.org) and CFED (www.cfed.org), a national non-profit organization focused on expanding economic opportunity.

Although the Rural Governance Initiative concluded in July 2006, RUPRI will continue to explore and facilitate the many dimensions of effective rural governance.

Exactly What is Effective Governance?

Perhaps our greatest challenge is to create and teach a new civic ethos that emphasizes and values sustained participation, not sporadic and episodic participation. The real test of the change in civic culture will be sustainability in the engagement process.

Donald Lacy, Associate Professor, Ohio State University¹

Governance is the process of making and carrying out decisions. In its most common use, governance refers to the management practices of *governments*, including cities, counties, special districts, school systems, regional governments, Indian reservations and states. Especially in Anglo-Saxon countries, good governance denotes efficiency, effectiveness, good value for the money and use of alternative administrative mechanisms.²

Government is the most recognized form of *governance*, but it is not the whole story. Effective governance incorporates a variety of decision-making and implementation practices by a wide range of people, organizations and institutions *beyond government*: non-profit groups, faith-based organizations, community foundations, citizen alliances, community colleges, business associations and others. Moreover, effective governance incorporates *community building*: processes that develop leadership, enhance social capital and personal networks and strengthen a community's capacity for improvement.³

In RUPRI's vision, governance is a much broader, more inclusive process. Governance is a *practice*, not just a government system. The distinction is more than simple semantics. When citizens place all of the decision-making power about their well-being into the hands of a government system, they are ignoring their own responsibility and potential contributions, as well as those of other individuals, groups and organizations. Decision-making that does not include these broader contributions often will be flawed. The practice of *effective governance* incorporates these broader contributions on an ongoing basis to ensure that decisions that affect the well-being of the people are made by the people, in the truest sense.)

This deeper, more far-reaching process has three major components:

- *Collaboration across sectors (public and private) and political boundaries (cities and counties).*

The historic regional joint power agreement among one county, two cities, a Native American tribe and a school district in northern Idaho launched the Boundary Regional Health Center is an excellent example. Area leaders created a second regional power agreement focused on environmental and natural resource issues. Two-thirds of Boundary County is national forest land; natural resource issues are especially divisive.

- *Sustained citizen engagement (welcoming new voices including youth, grassroots visioning).*

The dialogue among California North Coast's tribal, environmental, business, entrepreneurial, educational and community health leaders (politically left, right and center) envisioned a different future and is now altering the region's development agenda. Redwood Coast Rural Action's (RCRA) four counties cover an area larger than Massachusetts. Yet, RCRA is forging fresh partnerships among business, education, health, environmental and cultural interests and is generating new supports for entrepreneurs.

- *Leveraging regional resources* (capitalizing on competitive advantages, strengthening elected leaders, engaging intermediaries and investing local capital).

An analysis of regional competitive advantages broadened northern Maine's development agenda into New Brunswick, Canada. As Aroostook County examined its regional economic clusters – forest products, agriculture, tourism, information technology and precision manufacturing – new U.S.-Canadian business prospects emerged.

RUPRI believes that effective governance builds the *foundation* to engage disparate groups, spark good ideas and generate concrete results. Effective governance lays the *groundwork* that complements the *good work* of entrepreneurial development, community infrastructure improvements, artistic endeavors or other initiatives. Effective governance provides the *glue* to coalesce and sustain achievements over the long-term.

Rural America showcases a wide range of geographic, economic, political, cultural and demographic conditions. Certainly, some rural communities are privileged by strong amenities, proximity to a metropolitan area, etc., while others are not. Yet, all rural regions are governed and each can strengthen its governance system.

Why All the Fuss About Governance?

What information are governance decisions based on? What information should they be based on? Who decides? How do unprecedented conversations that result from regional collaboration change the content and flow of information? What's the impact on community decision-making? These are the important governance questions.

- Shanna Ratner, Principal, Yellow Wood Associates, St. Albans, Vermont

Governance has been at the forefront for several years. The Federal Reserve Bank of Kansas City's 2004 conference featured it in a major compilation edited by three well-respected rural economists.⁴ Effective governance was the focus of several recent state legislative sessions and international gatherings of the Organization for Economic Cooperation and Development (OECD). Why is governance receiving this attention? RUPRI sees three explanations for the recent spotlight on governance.

Rising pressures on rural governments and their leaders. More than ever, part-time elected officials are shouldered with devolving administrative and financial responsibilities and minimal (or no) professional support. Most small-town officials serve the public with few or no research staff, grantwriters, technical assistance funding bases or economic analysts.⁵ They manage risk, do more with less and "get no respect." Some rural governments receive management support from regional development organizations (RDO), but RDOs struggle in the same environment of increasing administrative burdens and declining resources. These challenges offer some insight into why, even at the state and federal levels, government is no longer the primary destination of choice for top public policy school graduates.⁶

Flaws in the current governing system. Globalization and industrial restructuring are shifting the economies of U.S. regions. There are signs everywhere that rural communities would benefit from greater collaboration, citizen participation and regional analysis. Yet, our current system of governing rarely supports such approaches. Most state and federal funding operates in narrow, programmatic silos that prohibit or discourage collaboration across sectors and jurisdictions. Thus, rural communities act unilaterally, with one community's economic development plan pitted against another. Public programs also expect swift, measurable outcomes, despite the reality that meaningful change requires time and patient resources.

Spotty, but heartening, rural governance innovations introduced by state governments and philanthropic organizations. For example, the Maine legislature recently enacted a new law to promote intergovernmental cooperation, cost savings and efficiencies. The act will, among other things, help local and regional cost savings.

There are murmurings of parallel proposals in other states as well. A West Virginia Governor's Commission recently developed three pieces of draft legislation on city/municipality consolidation, metro government creation and county consolidation.⁷ The legislation establishes a framework for cities and counties to discuss and determine if a new form of governance – consolidation, metro, regional – is appropriate. The

state's new look at regionalism may help West Virginia re-imagine itself without *compelling* local governments to coordinate or merge.⁸

On the philanthropic side, several major foundations such as Blandin, McKnight and Kellogg and some community funders such as the Cleveland Foundation have put their money behind collaboration. Minnesota's Regional Economic Development (RED) Group, supported by the Blandin and McKnight Foundations, is an ambitious experiment in new governance. The Group tests the idea that more than 30 state and regional organizations can align their principles, efforts and resources to support region-based economic development projects.⁹ Similarly, the W.K. Kellogg Entrepreneurship Development Systems for Rural America Project competition, managed by CFED, required that applicants establish working collaboratives.¹⁰

This trend is underscored in a commentary by Community Development Economist Steven Deller:

In dealing with increasingly complex public issues and ever tightening resources, public officials and concerned citizens must look to governance alternatives and not tie themselves to traditional ways of doing things.¹¹

RUPRI – an organization focused on analyzing public policy impacts on rural people and places – launched the Rural Governance Initiative to support this trend toward effective governance.

Eight Key Principles of Effective Governance

Which governance practices make the difference between stagnating and flourishing communities? How can these practices be adopted by rural leaders and supported by state and federal policymakers?

Drawing on its practical research, RUPRI offers the following key principles of effective governance. The eight principles are grouped under three major themes: collaboration across states, sustained citizen engagement and leveraging regional resources.

This guidance is targeted to a range of rural development practitioners and policymakers, including:

- local leaders (formal and informal, governmental and non-governmental);
- local and regional institutions (public schools, community colleges, hospitals);

- intermediary organizations and agencies (economic development districts, state agencies, Cooperative Extension Service, state municipal and county associations);
- funders; and
- state and federal legislators and executives.

RUPRI trusts that guidance on effective governance will lead to stronger rural development practices “in the dirt” and smarter policies “on the hill.”

[Chart] **Eight Key Principles of Effective Rural Governance**

Collaboration

1. Crossing sectors (public, private, non-profit)
2. Crossing political boundaries, recognizing regions

Sustained Citizen Engagement

3. Welcoming new voices (especially under-represented individuals and youth)
4. Visioning a different future (bottom-up process)

Leveraging Regional Resources

5. Analyzing region’s competitive advantages (focus on strengths, identify clusters)
6. Strengthening competencies of local elected officials
7. Engaging key intermediaries
8. Investing local capital

Collaboration

We know that with the reduction in funding and the sophistication required from existing funding sources, collaboration will increase our chances of successfully addressing the many issues that face communities today.

- LeAnn Simmons, United Way of Treasure Valley, Idaho¹²

Principle 1: Crossing sectors

Why is the practice of collaboration across sectors universally endorsed but rarely accomplished? Answer: because it is very challenging work.

Community-based collaboration is the process by which citizens, agencies, organizations and businesses make formal, sustained commitments to work together to

accomplish a shared vision.¹³ In the language of partnering arrangements, collaboration is the highest and most difficult level of working with others – more formal than networking, cooperation and coordination.¹⁴ But in many rural regions, even networking across sectors can be tough.

In some communities, the abyss between rural elected officials and community builders is especially wide. (The term “community builder” refers to any non-governmental individual and/or group, formal or informal, working to strengthen the community or region.¹⁵) Local governments may engage with community builders in ways that range from undermining, to neutral, to supportive. Likewise, community builders may interact with local governments in ways that vary from confrontational, to neutral, to collaborative.¹⁶

Associations between the sectors are so vital, yet tricky, that the Roundtable on Community Change at the Aspen Institute launched a discrete research and practice initiative on the topic. The Roundtable’s project on Local Government and Community Building is collecting and disseminating information about the prerequisites to successful engagement between community builders and local government.¹⁷ To encourage community builders that local government can be trusted, is important in efforts to improve community outcomes and should not be ignored, the Roundtable observes:

Beyond financing, local government has the capacity to affect low-income communities in a myriad of ways through its public policies, rules and regulations, discretionary decision-making authority, purchasing and investment decisions, relationships with regional authorities, and so on.¹⁸

In the same vein, RUPRI is encouraging local elected leaders to cross the institutional fault lines among public, private and non-profit constituencies to acknowledge that no community is well governed by a few highly vocal individuals or groups, especially if those highly vocal individuals are all elected officials. Likewise, RUPRI is pressing policymakers to reduce the narrow, programmatic silos that prohibit or discourage collaboration across sectors and to institute new policies that facilitate cross-sector partnerships.

[Case Study 1]

Cross-Sector Collaboration Resolves Severe Health Hazard

In early 2000, the U.S. Environmental Protection Agency (EPA) designated a large part of Jasper County, Missouri as a Federal Superfund Site due to dangerous levels of lead contamination. Business leaders and elected officials immediately realized that the

designation could have disastrous consequences for economic development and, most important, on the health of local children. Today, blood lead levels among the county's children are in the safe zone, below the national average. Jasper County achieved this success by setting narrow-mindedness aside and collaborating across sectors.

In the early 1900s, Jasper County was the heart of the largest lead mining region in the world. A century later, the county discovered the price for those excesses in the form of lead and other heavy metals that had been deposited on the land. The long-term effects of childhood lead poisoning are severe: reduced IQ, learning disabilities, hearing loss, reduced height and hyperactivity. Excessive lead exposure can cause coma, convulsion and even death. These risks were unacceptable.

The county's response was immediate and innovative. The county commissioner established an Environmental Task Force of Jasper and (neighboring) Newton Counties to provide guidance and leadership in resolving the problem, with help from the federal government. The 25-member task force included a broad mix of public and private individuals: county commissioners, mayors, EPA and Missouri Department of Natural Resources representatives, business leaders, school officials, health officials, concerned citizens and a consulting engineer.

The diverse group looked at all of the environmental issues affecting both counties and developed one of the first county-level environmental master plans in the nation. One innovative solution, later commended by EPA, encapsulated lead waste in the roadbed of a local highway. The task force also designed a creative public awareness campaign to educate citizens about the dangers of lead. It included coloring books, "no-lead" Girl Scout badges, model school curriculum and more.

"The effort succeeded," says former Jasper County Commissioner Anna Ruth Crampton, "because we set local and territorial issues aside. We concentrated on the larger environmental problems threatening the welfare of Jasper and Newton County citizens."

Adapted from Jasper County's winning application to the 2004 National Association of Counties (NACO) Caucus Courthouse Award.

Principle 2: Collaboration across political boundaries

Few of the problems that face rural communities respect jurisdictional boundaries. The truth is few rural communities have sufficient resources and population to attract competitively priced infrastructure, facilities and services. Therefore, individual communities must join with others in creating regional approaches to development. Likewise, it only makes sense for governments to allow and encourage such regional cooperation.

- The Nebraska City Declaration issued on October 18, 2002, following the Summit on Rural America.

In rural America, fences often seem to circumscribe a community's political borders, blocking collaboration with neighboring towns, cities or counties. Be it ancient grudges from sports competitions, resentment over business location decisions or new desires to block off the growing immigrant population, many rural communities thwart collaboration across political boundaries.

Ironically, this single-minded attitude is likely feeding the fires of state campaigns for consolidation among cities and counties. Voluntary cooperation may well be a small community's best defense against coerced consolidation, especially in the efficient use of limited resources.

There are legitimate reasons why towns, cities or counties act unilaterally. Yet, in an era of devolving public responsibilities, government cut-backs and limited philanthropic resources, neighboring communities need to work together. This reality is especially true for isolated rural communities. For services that are capital intensive, such as public works, equipment sharing across communities can save money. Economies of scale also exist in many back office services such as dispatching and payroll.¹⁹

It makes sense to collaborate across political boundaries because so many critical economic and social issues overflow a community's borders. Economic development, in particular, is most effectively accomplished on a regional basis, starting with an analysis of the region's unique competitive advantages.

Finally, collaboration leverages political power. Individual towns, acting on their own, don't have sufficient political clout to affect policy. A region of communities, teaming together, can prompt change.

The stark reality of scarce resources oftentimes forces contentious neighbors to work together. For example, the state of New Mexico, the Navajo Nation and its neighboring city of Gallup are now collaborating over water rights to the San Juan River. The dawning awareness of scarcity finally brought people together. When the San Juan

flowed abundantly, the question of first rights was irrelevant. A severe drought in 2002 started the shift in attitudes. In commenting on the water settlement, a consultant to Gallup said:

It's a vast sea change in thinking on both sides of the cultural divide between Indian and non-Indian. It says that we have a common future, that we have a common direction to go in, that your doing well is important for me to do well.²⁰

The challenge to collaboration across political boundaries is *keeping place is a broader space*—promoting regional strategies without sacrificing local integrity. As RUPRI Director Charles Fluharty explains:

A community's unique culture and context must remain nested within the new regional approach. While our future must not be constrained by the perspective of an 1860 surveyor...the cultural context and community framing which inform these myopias are also a storehouse of great wisdom, passion and commitment.²¹

[Case Study 2]

Collaboration Among Towns Improves Municipal Services

The Towns of Mapleton, Castle Hill and Chapman save capital equipment expenses and provide more efficient, better-staffed services because they collaborate across political boundaries. These three small towns in rural Aroostook County, Maine have a long history of sharing services. Beginning with a cooperative fire department, the towns periodically split services and equipment as a matter of convenience.

In the mid-1970s, the collaboration matured into a more formalized, long-term arrangement. The towns agreed to construct a municipal building to house general government administration and the fire and highway departments. Local officials drafted a formal joint ownership agreement that incorporated long-term maintenance and repairs for the structure.

In the mid-1980s, town leaders established a mileage-based formula for sharing highway expenses. Over a 12-year period, these incremental efforts led to a comprehensive inter-local agreement among the three towns that remains in effect today. Eighty percent of the towns' annual budgets are now cost-shared.

The inter-local agreement establishes a formal relationship among the towns by defining the following: each town's responsibilities to the agreement, cost-sharing formulas, activities to be shared (nearly all services), and the process and financial

obligations associated with joining or withdrawing from the agreement. The agreement works because goals for services are similar among the towns; trust has developed; local officials are equally dedicated to the agreement; and there are clear geographic advantages (all towns are abutting).

As a result of the inter-local agreement, the three towns save taxpayer dollars; have a more efficient and better trained staff; and maintain less capital equipment (especially plow trucks, graders and fire trucks). The collaboration is a promising model for other small communities.

Information provided by John Edgecomb, Town Manager for Mapleton, Castle Hill and Chapman.

[Case Study 3]

Scarce Resources Inspire Winning Collaboration

The reality of scarce resources pushed several northern Idaho communities and a Native American tribe to cross sectors and political boundaries. Local leaders created two regional joint governing agreements: one to promote economic health and another to work on environmental and natural resource issues. Agreement participants include Boundary County, the City of Bonners Ferry, the Kootenai Tribe of Idaho, the City of Moyie Spring, and Boundary County School District # 101.

By joining collectively, the region has achieved the following outcomes:

- Completely rebuilt the downtown business corridor. Added new concrete streets, sidewalks, lighting, landscaping, storm drains, ADA access.
- Reconstructed and widened the main highway into Bonners Ferry to include sidewalks, lighting, curbs and gutters.
- Secured funding to connect two separate business centers with a pedestrian underpass.
- Secured funding to build an international gateway visitor center, landscaped parking and rest area in the downtown corridor of Bonners Ferry.
- Launched construction of a new regional public high school and renovated and modernized the regional junior high/ middle school and all elementary schools.
- Established a new Boundary Regional Health Center and successfully recruited physicians, dentists and mental health professionals to the area.
- Contracted with EPA to complete the area's Total Maximum Daily Loads study requirements, as required by the federal Clean Water Act.

- Successfully avoided including the Kootenai River Burbot on the Endangered Species Act (ESA) list by working collaboratively to establish recovery efforts outside of the ESA. Since two-thirds of Boundary County is national forest land, the ESA is a big issue.

[Case Study 4]

Collaboration Along the New River Corridor

In 1997, New River community leaders in the mountains of North Carolina, Virginia and West Virginia came together to identify critical issues and develop a shared vision of working together for the future of the river. This unprecedented regional effort was sparked by the Clinton Administration's American Heritage Rivers Initiative. The Initiative was designed to help Americans protect their waterways and revitalize their communities through natural resource protection, cultural resource preservation and economic revitalization. The New had a history of river enthusiasts, but this initiative was the first time that citizens joined together, across a broad region, to work for something positive.

Leaders set out to build support for nominating the New as an American Heritage River. The "heritage" part was easy – the New is thought to be the oldest river in North America and the second oldest in the world, pre-dating the formation of the Appalachian Mountains and the Atlantic Ocean. But the organizing work was tough. Over late night suppers, early morning breakfasts and kitchen table talks throughout the region, local leaders met, "broke bread," told stories, "swapped lies" and planned for the future of the river they love. Folks from all walks of life came together: economic developers, conservationists, farmers, tourism leaders, artists, elders and young people.

The New River nomination competed with 125 other rivers across the country. Elected officials from both parties endorsed the designation. Citizens submitted dozens of letters of support, along with hundreds of signatures on petitions that had been circulated at regional community festivals. Creative writing students wrote stories, poems and essays that painted a literary picture of life along the New River. New River leaders were relentless in their pursuit. In the end, the New was one of 14 designated rivers.

Since 1998, more than 2,000 citizens and numerous elected officials from 21 counties in three states have worked to develop and implement the New River work plan. More than \$20 million in public and private funds have been secured to support sustainable agriculture projects, purchase conservation easements, plant buffers along the river and

streams, clean up and restore degraded mines, develop riverfront parks and visitor centers, promote downtown revitalization and heritage tourism development, collect oral histories and develop youth corps programs.

For more information, contact The Conservation Fund: www.conservationfund.org.

Sustained Citizen Engagement

Principle 3: Welcoming new voices

I see so many rural communities stuck in a circular form of logic. If the same people keep doing the same thing, they are likely to get the same result. The problem is, how do you get different people? How do you get different ideas? How do you get the community to embrace these new ideas?
- Terry Waugh, Nebraska Rural Initiative²²

These questions haunt many small towns across rural America. It doesn't take a doctoral degree in rural economics to know that better results rarely arise from the same people doing the same thing. But changing the leadership mix is tough work; it runs against the grain. There is no fail-proof formula for generating new leaders, be they civic leaders or elected officials. But there's a right way to start the process: by welcoming new voices, especially those of people who have not traditionally served in leadership positions.

Who are the new voices in rural America? Sometimes they are newcomers who, if genuinely welcomed into the process, can contribute fresh ideas and access to new networks. New voices may be people who have resided in the region for decades, but have not (yet) volunteered their talents or been asked to contribute their ideas. They may be "hands" that have helped, not "mouths" who have spoken. New voices may be African Americans or Native Americans who are active in their churches, tribal councils and sports leagues, but judge the town's dominant white leadership as an unwelcome mat.

New voices may be artisans, musicians, preschool teachers and unconventional thinkers who see economic and social issues through a different lens. These people are often quiet and are best enlisted through one-on-one conversations or small house gatherings.

New voices may be women who assist with school or church fundraisers, but do not (yet) envision themselves as leadership material. Women start businesses at twice the rate as men and stay in business longer.²³ Certainly, rural communities are full of women who can become strong public entrepreneurs.

New voices may come from rural America's tremendous growth in immigrant, especially Hispanic, populations. Most immigrants come to the United States because of limited economic options in their home country. They bring an entrepreneurial spirit that breeds new business ventures. That same spirit can generate new ideas for the community's development – more ideas and different ideas because they originate from diverse perspectives and backgrounds.²⁴

A case in point is Garden City, Kansas, home to a large meatpacking industry. At least one-third of the city's population is now immigrant, drawing from Mexico, Central and South America, Southeast Asia, Somalia and other places. Several Hispanic citizens have served on the city commission, yet the town is still searching for new voices. Like many municipalities, Garden City hosts a formal Leadership Garden City program designed to educate current and future leaders in the community. A few years ago, the program transitioned from focusing on individuals with positions and connections to focusing on people with passion and conviction. As the program director explains:

We weren't seeing as much change generated in the community by graduates of the program as we wanted to. We think effective leadership comes, first, from self-awareness and personal conviction, not position and connections.²⁵

Last but not least, new voices may be youth. Rural America laments the exodus of young people, yet few communities proactively engage youth in local decision-making. Why? Youth leadership programs impart skills for young people to practice in their communities. Yet, the common response to youth's presence is: "Wonderful, here is someone to sell the donuts or do the cleanup."²⁶ If more young people served on official planning committees, orchestrated local events and gained entrepreneurship skills, perhaps fewer youth would leave their communities. Or maybe more youth would return home years later to raise families and start new businesses.

The Hometown Competitiveness program (HTC) implemented this approach. A collaborative effort of the Heartland Center for Leadership Development, the RUPRI Center for Rural Entrepreneurship, and the Nebraska Community Foundation,²⁷ HTC (www.htcnebraska.org) is a comprehensive strategy for long-term rural community sustainability. It encourages communities to take action in four strategic areas – leadership, youth, entrepreneurship and charitable assets. The goal of youth

development is to support and enhance the idea of adults and youth working together to create opportunities for youth to stay in or return to the community.

HTC learned lessons about broad youth engagement by watching how rural communities talk about their young people. People brag about the assets of their top scholars – the students who leave home after high school and rarely return. But they forget to recognize the assets of youth who are not straight A students – the kids who are not reinforced by traditional academics, but could be budding entrepreneurs or tradespeople. HTC challenges communities to connect these youth to entrepreneurial development opportunities and to offer scholarships to youth who choose to remain close to home.

Another organizing tool for civic engagement, including youth, is Intergenerational Dialogue & Action™, an unusual process created by James Gambone. As part of an overall economic development strategy, the ID&A process involves all generations in a community. An Intergenerational Dialogue event is a one-day, six-hour meeting in which citizens of all ages share their unique perspectives on a community selected issue and develop action plans for change.²⁸ The experience allows informal leaders and novel ideas to emerge. Because solutions arise from the community itself, they usually are embraced by the majority of residents.²⁹

[Case Study 5]

New Voices Mend Political Fences

The following is an interview with Kuna, Idaho Councilmember Zella Johnson, former president of Kuna ACT (Alliance for a Cohesive Community Team), a grassroots citizens group.

Every community has its issues and ours was that communication was terrible. The community was divided. You were on one side or another. There were no synergistic qualities to the community whatsoever.

And there was no public input. The city council and the mayor pretty much did as they pleased. They would say, 'this is what we're going to do and that's the way it is.' People became angry because they didn't feel they had a voice in any of the decisions. So a group of us thought the people needed more of a say as to what was going on in their community and they needed to buck the system a little bit. That's when we organized a study circle.

(A study circle is a group of 8-12 people from different backgrounds and viewpoints who meet several times to talk about an issue. In a study circle, everyone has an equal voice and people try to understand each other's views. They do not have to agree with each other. The idea is to share concerns and look for ways to make things better. A facilitator helps the group focus on different views and makes sure the discussion goes well.)

I would say that the study circle was the reason I decided to join the town council. When I sat in the study circle, I realized that I wasn't the only person disgruntled with the current government. I didn't think for a million years that I would ever run for office, but I could see that we needed new leadership and a change in the community. We needed to have more democracy.

I feel that the dynamics of Kuna, and how we communicate, have completely changed due to the study circle process. Now, when the community confronts big issues like school reform, comprehensive plans and economic development, the people say, "let's take it to study circles."

Adapted from an interview published in *Focus on Study Circles*, Fall 2004, Study Circles Resource Center. More information about study circles is available at www.studycircles.org.

[Case Study 6]

A Unique Response to Rural Youth "Brain Drain"

The small town of Elsa, Texas is located 15 miles north of the Texas-Mexican border in the Rio Grande Valley. For generations, this region has been isolated geographically and socially. In the early 1920s, real estate and development companies came into the area, creating what is still known as the "Magic Valley." They built an economy dependent on uneducated and poorly paid Mexican laborers.

The regional Edcouch-Elsa High School (E-E HS) serves the state's fourth poorest public school district. Approximately 98 percent of the student body is of Mexican origin. Since 1992, E-E HS has operated a nationally recognized college placement program, sending more than 80 high school graduates to Ivy League universities. This achievement is a tremendous one for a school district in which approximately 90 percent of the households have an annual income of less than \$10,000 and few parents have a high school diploma or fluency in English.

In 1997, local leaders established the Llano Grande Center for Research and Development, a school- and community-based organization housed at E-E HS. The Center nurtures grassroots, youth-directed projects aimed at solving local problems. This unique agenda grew out of its 1997 work mapping community assets. Local youth who were leaving the Edcouch-Elsa community in pursuit of higher education at elite universities were among the most critical assets identified. The Center viewed this trend not as a “brain drain,” but as a hemorrhaging of community assets. Elsa’s leaders sought to reclaim talented human resources by engaging local youth.

In June 1999, Ernesto Ayala, a 1995 graduate of Brown University, returned to Elsa to “give something back to the community.” Hired as the Center’s Director of Community-Based Research (now its Director of Finance), Ayala taught students how to employ survey research to identify, understand and devise solutions to pressing community problems.

Today, youth draw on a variety of tools to research, strategize and communicate solutions for community and economic development concerns. Through an e-mail list-serve, many E-E HS graduates contribute ideas and strategies for projects back home. Some students return to the area, during school and summer vacations, to orchestrate community research, communications and policy-development efforts.

The Center’s work has created a multitude of jobs (part-time and full-time) and provided high school students with professional skills (in research, interviewing and radio and video production) for future careers. Equally important, the Center is grounding kids in the community. As Center Executive Director Francisco Guajardo explains, “When kids understand their community and are proud of it, they have a reason to come back.”³⁰

Adapted from a case study on Elsa, Texas in *Technology and Grit at the Grassroots*, a publication of the National Center for Small Communities.³¹ Llano Grande Center for Research and Development Web site: www.llanogrande.org.

Principle 4: Visioning a different future

A generation of work in community development has taught us that successful community renewal invariably springs ‘from within,’ when the people who care about a community join together in fierce determination to revive their civic and economic fortunes, whatever the obstacles.

- Program for the Rural Carolinas, The Duke Endowment³²

Thriving communities do visioning from the bottom up. Regrettably, most communities do exactly the opposite -- they plan from the top down. Typically, a committee of key decision-makers examines the region's strengths, weaknesses, opportunities and threats (SWOT analysis) and designs a vision for the future. The vision is translated into goals, packaged into specific projects and presented to the citizenry. Consultation with the public takes the form of marketing the vision, goals and projects through newspaper articles, Web site postings and public meetings *after* the plan is developed. The public is informed, but not engaged.³³ This approach is *ineffective* governance.

Bottom-up visioning operates differently. It honors the principle that everyone has a say; no one owns the process – not the sparkplugs, the champions or the city fathers. Visioning begins *not* with a committee of key decision-makers but with everyday people: seniors living on fixed incomes, retail clerks, high school students, low-income families, shop owners, parents of young children, government workers and anyone else who chooses to participate.

A meaningful visioning process equips ordinary people with sufficient knowledge and tools to rationally chart a different future. It trusts that when you connect people, productive things happen, no matter how messy the process feels (especially at the onset). Equally important, the process has honest follow-through. As an experienced rural development practitioner explains:

People have a lot of experiences in brainstorming and visioning that are not valuable. The conveners say that they want to hear people's feelings and ideas, but the output goes nowhere and people feel diminished. It's not a truthful process.³⁴

A variety of bottom-up visioning approaches are taught and/or led by the Extension Service, community foundations, county planners, private consultants and others. The individual techniques vary³⁵, but all visioning should do three things. First, visioning should turn traditional strategic planning on its head (see figure below). The most legitimate visioning begins with citizen input and then gradually evolves from big picture visions to community goals to concrete projects. By bringing people together to collaboratively craft a vision for the future, ideas become reality faster and with greater consensus.

[Figure] **Visioning Creates New Roles for Community Citizens**³⁶

ADD FIGURE HERE. PULL FROM PDF

Second, visioning should embrace asset-based thinking.³⁷ The act of focusing on assets rather than problems or needs revolutionizes a community's perspective. Finally, visioning should balance the tough, big-picture work with achievable projects. As futurist Joel Barker explains: "Vision without action is merely a dream. Action without vision just passes the time. Vision with action can change the world."³⁸ In the arena of community and economic development, people often act too long before they plan *or* plan too long before they act.

The over-planning communities dot all the i's, cross all the t's and set all short-term projects aside. When planning is divorced from action, people often lose faith and interest and the process dies on the vine.³⁹ Elaborate, time-consuming and expensive planning exercises typically don't work well for many rural communities. Other communities think too small -- they sit on the benches on Main Street and go no further. These communities are so focused on individual projects that they never develop the capacity for deep and lasting change.⁴⁰

Communities that can think big, while also identifying and carrying out manageable projects, are better able to generate and sustain community engagement. Concrete results breed confidence and energy; public celebrations of the results build support for the tougher, bigger picture work.

Leveraging Regional Resources

Principle 5: Analyzing the region's competitive advantages

Rural economic development must focus on the unique strengths of each area, rather than concentrating on ameliorating generic weaknesses.

- Michael Porter, *Competitiveness in Rural U.S. Regions*⁴¹

Every rural region is unique. Certainly, many rural areas share common social and economic challenges associated with low population density. Yet, no single development strategy suits every rural region. To move towards prosperity, rural communities must collaborate across political boundaries *and* capitalize on the region's distinctive competitive advantages.

Successful development policies or strategies are region-specific -- they build on what is unique and valuable to the region's residents.⁴² This fundamental ingredient of governance can be accomplished without surrendering a community's individual identity.

There are many approaches to analyzing a region's economic competitiveness. But regardless of technique, there is growing consensus in the rural development field about the importance of assessing regional competitiveness and conducting cluster analysis. As Harvard University Economist Michael Porter explains:

Viewing regional economies in terms of clusters is central to understanding the competitiveness of rural areas and how it can be improved. Each rural area will differ in its cluster composition and [for rural regions linked to urban areas] in the opportunities created by the cluster strengths in nearby metropolitan areas.⁴³

Cluster analysis examines industrial sectors in a comprehensive way. It looks not only at how individual businesses in a sector are competing, but also at the overall environment that supports such businesses – the suppliers, workers, educational institutions, wholesalers, end users and government regulators.⁴⁴

Many rural regions are highly dependent on particular sectors such as manufacturing, textiles, wood products, natural resources industries, health care, government and agriculture. Agriculture is a small part of the overall economy in most counties. In the smaller number of counties where agriculture does play a part, it often only makes a modest contribution to the region's employment.⁴⁵

Unfortunately, rural regions have sparse access to rigorous, unbiased, and affordable analysis of regional clusters and competitive advantages. As Fluharty remarks:

Public decision makers have no dearth of consultants willing to extract dollars from the public till with "black box" solutions. Likewise, many [program experts] offer turf-based solutions. Lacking this quality analysis, public decisions will often remain incremental and less than optimal.⁴⁶

Rural regions would benefit significantly from greater investments in regional assessment resources. There are a few excellent Web-based resources that provide free or low-cost county-level data (see Community Economic Toolbox). Yet, except for a limited number of County Extension offices, economic development districts and rural community colleges, economic analyses are not provided as a public good. Unless significant, new investments are made by state and federal governments or major foundations, access to these decision-support tools will remain highly limited.

[Case Study 7]

Community Economic Toolbox

The Community Economic Toolbox (www.economictoolbox.geog.psu.edu) provides data about a county's current and historical performance. Users can take a tour of their local economy to help answer questions like:

- What are the current employment conditions in our community?
- What parts of the local economy have been growing?
- Which industries have been declining?
- How does the local economy compare to other nearby economies?
- What are the factors leading to local employment growth?
- How do we identify new opportunities?

The Toolbox offers the following tools:

- A snapshot of important local economic indicators.
- Examination of historical performance and the trends for these indicators in order to determine current directions.
- Location quotients to identify local strengths and opportunities.
- Shift-share analysis to help identify local growth engines.
- A pointer to living-wage estimations for the region according to various family sizes.
- The type of industries that pay living wages in the area.

A related Web site, Poverty in America: One Nation, Pulling Apart (www.povertyinamerica.psu.edu) examines community social and economic conditions nationwide, using a newly designed index of economic health and economic distress.

[Case Study 8]

True North: Northeastern Minnesota's New Regional Identity

Historically, northeastern Minnesota has depended on two commodities – iron ore and timber. The rise and fall in iron and timber prices has resulted in a rollercoaster ride for the region's economy. Over the past two decades, the situation has worsened. Dramatic consolidation in iron activity led to a sharp loss of jobs in the region. In the 1980s, mining accounted for 50 percent of the jobs and 60 percent of the income in northeast Minnesota. Today, mining represents less than 10 percent of both.

This economic slide led many groups to envision a new economic future for the region. Many ideas were floating around the region, but there was no way to weave the various threads into a single plan. In 1999, responding to the gap, the Minnesota State Colleges and Universities System decided it was time to rethink how the many community colleges in northeastern Minnesota were organized and governed. For their part, the

community colleges were beginning to see the need to pool resources to save administrative costs. They also realized that the economic and fiscal crisis spanned several towns and counties in the region.

They took the dramatic step of reorganizing the governing structure of the region's community colleges. Five community colleges came together under one "super regional" umbrella with one president. That umbrella, the Northeast Minnesota Higher Education District (NMHED), represented a regional master plan to address the lifelong learning needs of area residents.

The creation of NMHED has been a catalyst for critical changes in other key institutions in the region. After seeing some of the benefits of the regional community college, governments throughout the region have begun to cooperate more often and more extensively. The Range Association of Municipalities and Schools and the Arrowhead Growth Alliance serve as places to identify high-priority projects and opportunities to share resources. New multi-jurisdictional partnerships also have formed. The Central Range Initiative is bringing together five sanitary districts to explore strategies for redeveloping unused waterways.

In short, one small change in governance – the birth of a super regional community college – created a cascade of changes in the interactions of key institutions and the decision-making process. Today, the regional thinking approach has received a new identity. "True North" was established at the NHED to be an umbrella for the new regional partnership. NMHED President Joe Sertich describes True North as "a brand identity for our new regional strategy." In essence, the region's community college has become the institutional home for a new regional development strategy and a place where new regional initiatives come together.⁴⁷

[Case Study 9]

Handmade Crafts: Building Western NC's Sectoral Economy

Under the leadership of HandMade in America, a regional nonprofit, communities in 22 counties of western North Carolina have worked for more than a decade to create a "sectoral economy" based on the handmade craft traditions of Southern Appalachian mountain residents. This regional, assets-based approach is countering rural North Carolina's tough realities of factory closings, job exodus overseas, aging population, rising service costs and shrinking tax revenues.

Craft heritage tourism, small town revitalization and adaptive re-uses of abandoned landfills to generate glass-blowing craft business incubators are just a few of the asset-based economic development initiatives that are helping to connect Western North

Carolina citizens and communities across ridges and river valleys. The “invisible craft factory” is helping to strengthen communities in economic transition, while protecting natural areas and empowering workers in traditionally distressed areas.⁴⁸

HandMade in America inspires community strategies to enhance the region's role, nationally and internationally, within the handmade field. HandMade in America works to implement environmentally sustainable economic solutions that emphasize the craft industry, enhance opportunities in the marketplace and develop entrepreneurial strategies for the region's crafts artisans. As executive director Becky Anderson explains: “We don't teach crafts-making, or make or sell objects, but we do serve as a support system for craftspeople and the craft industry.”⁴⁹

Principle 6: Strengthening the competencies of local elected officials

Few people who get elected to local government office are prepared for it. On top of budgeting, personnel procedures, public safety and liability issues, there are development questions, land use issues, and relationships with the media, to name only a few arenas. The majority of small, rural communities cannot afford a professional city or town administrator, so management duties rest with the novices. Even veteran rural elected leaders often find the responsibilities daunting.

Given the demands of the job, one might ask why local officials do not get the training and support to more assuredly govern their cities, townships, or counties. Why don't more rural leaders develop the skills to tackle the big challenges, such as job creation? Is it because so few local government leadership programs build the new competencies that today's officials really need?

The answer is complex. First, many elected officials see their role as prescribed and limited. Rural government leaders serve part time, with little or no compensation. They are shop owners, dentists, school teachers, homemakers, entrepreneurs *and* elected officials. Given the number of hours in a day, rural elected officials tend to focus on the day-to-day financial and legal duties of governmental office. This caretaker mindset is entirely understandable, but it means that higher-level competencies – such as how to enhance citizen participation or create a vision for the future – are seldom acquired or used.

Second, our system for strengthening the competencies of local government leaders is scatter-shot and under-resourced. Local government leadership training does exist, but the offerings vary greatly in quality and availability. Assuming they can take time off

from their day jobs or evening family obligations, rural officials may have to travel considerable distances to participate in training programs, sometimes at their own expense.

Most state government departments of local affairs have scaled back their education efforts. Several national associations of local governments⁵⁰ hold annual educational conferences and workshops, but the required expense and time tends to discourage attendance by part-time rural officials. Quite a few foundations support local leadership initiatives, but they are typically targeted to emerging civic leaders, not local government officials.

Unfortunately, the local officials who would most benefit from leadership training may be those least likely to seek it.⁵¹ They may come from limited-resource towns that would most profit from regional and collaborative strategies, but are too entrenched to change. Or they may just be worn out by long meetings, tough budgeting decisions and pressures to secure additional financing or comply with state and federal mandates – not to mention their day jobs.

Because the health of rural communities is linked to an effective governing system, it is increasingly important for rural officials to acquire these higher-level competences. Citizens and private and non-profit leaders must champion skill development for area rural elected leaders. The process starts by learning which agencies or organizations in the region and state offer quality leadership training for rural elected officials.

Many state universities offer some variety of local official training, often in partnership with state associations of cities, townships or counties. The state association role is to legitimize and market the program to its membership. Each land grant institution has its own program priorities or banner programs targeted to local governments, but the strongest programs incorporate technical follow-up by local county extension specialists.⁵² For a fee, state associations of cities, townships and counties offer leadership training for their members at annual educational conferences and occasional workshops. Some programs are especially targeted to small or rural communities, such as the Texas Municipal League's Small Cities Problem-Solving Clinics.

Only a few states have sophisticated statewide organizations focused on rural people and communities. The North Carolina Rural Economic Development Center, a non-profit organization created in 1987, is probably the best example of this support. The Rural Center serves the state's 85 rural counties, with a special focus on individuals with low-to-moderate incomes and communities with limited resources. It conducts

research into rural issues, advocates for policy and program innovations and builds the productive capacity of rural leaders, entrepreneurs and community organizations.

For 20 years, the Rural Center has maintained and broadened its support among North Carolina leaders, adding or spinning off programs and effectively becoming the hub of the state's multi-faceted rural development efforts. It has created, tested and implemented numerous novel programs, many of which have become models for the nation. Building on this work, the Rural Center is leading a major initiative to increase the vitality of North Carolina's small towns.⁵³

Many regional development organizations provide leadership training and/or hands-on management assistance to rural governments. The names vary – economic development districts, regional planning organizations, area development districts, regional development commissions – but generally these organizations assist member local governments in the areas of infrastructure, transportation, housing and/or economic development. To receive training, information and representation, most regional organizations belong to the National Association of Development Organizations, the National Association of Regional Councils, or both.

[Case Study 10]

Township Governance Academy Strengthens Officials' Competencies

In October 2003, the Michigan Townships Association (MTA) made an intriguing observation: for many elected officials, service on the township board was not as rewarding as it could be. Township leaders often lacked the necessary knowledge and skills to make effective decisions. They needed fresh ideas, more advanced skills and new ways of conducting business as a township board. Their public service also needed to be more outcome-based and results-oriented.

As the legislative advocate and educational association for 1,242 Michigan townships and 6,526 elected township officials, MTA decided to take action. MTA created the Township Governance Academy (TGA), a voluntary credentialing program for township leaders. The high-impact learning program builds the competencies of both newly elected and veteran township officials.

A cadre of experienced TGA instructors lead interactive courses in three categories: foundation courses (core competencies -- 28 required credits), boardsmanship courses (visioning, board decision-making -- 24 credits) and electives (18 credits). A mix of half- and full-day classes is offered on a rotating basis at selected locations throughout the state. To graduate from the Academy, candidates also must demonstrate that they have applied a learned skill to township governance.

The complete program costs approximately \$1,200 to \$1,500, excluding personal expenses. Limited scholarships are available.

More information about TGA is available at www.michigantownships.org.

Principle 7: Engaging key intermediaries

Research at Harvard University's Art and Science of Community Problem-Solving Project explains the subtle agents of change in communities. Xavier de Souza Briggs calls these agents *intermediaries*: people, organizations and institutions that add value to the world by connecting, supporting and enabling others to be more effective. The special power of intermediaries is that they make things happen without calling attention to themselves. They initiate, but then step back, so that others can own and take credit for what happens. As respected, honest brokers, intermediaries assume roles that others cannot easily perform. Since they frequently are ahead of the curve, intermediaries often develop the market for what they wish to provide.⁵⁴

Rural sociologists Cornelia and Jan Flora use the term *bridging capital* to talk about the vital connections among diverse groups, including those outside the community. Effective communities possess both *bonding capital* (connections among similar individuals and groups) and *bridging capital*.⁵⁵ Intermediaries are among the diverse groups outside the community that provide bridging capital.

One of the crucial differences between stagnating and flourishing rural regions is the existence of engaged intermediaries. They may be close by (such as community colleges), in the larger region (such as community or regional foundations), or far away (such as community assistance organizations/agencies or private foundations). They may become engaged on their own or be solicited. They serve an array of roles: facilitators, educators, capacity builders, social investors, performance managers, coalition builders and organizers of new groups.⁵⁶

Briggs identifies five types of institutions or organizations that serve as intermediaries: government, civic or non-governmental organizations, foundations or funders, issue-focused organizations and capacity-building institutions. A given community may be home to any one or more of these intermediaries, often with diverse and overlapping functions.⁵⁷ For rural communities, there may be just one or two intermediaries effectively engaged in the region and the intermediary may serve more than one role.

Rural community colleges are among the most powerful rural intermediaries. Community colleges have evolved over the last half-century from liberal arts schools preparing students for four-year colleges, to schools more focused on technical and vocational training, often with missions explicitly oriented toward local economic development. Approximately 40 percent of all community colleges are in rural areas or small towns; often they are the only institutions of higher learning in the area.⁵⁸

The qualities of rural community colleges make them strong intermediary candidates. Community colleges are politically neutral institutions that are respected and trusted by diverse populations within their region. They are deeply rooted in their communities. Because community colleges serve multi-county districts, they are natural players in regional development efforts. Concurrently, rural community colleges are being challenged to actualize their broader mission: education for community and economic transformation.⁵⁹

Community foundations are another strong intermediary in rural regions. Community foundations are community-based, nonprofit organizations that raise and manage a wide range of endowed and non-endowed funds from individual and organization donors. In recent years, they have been among the fastest growing source of charitable dollars in the U.S. Community foundations use the stream of revenue produced by these funds to make grants and conduct community betterment programs within the specific geographic area served by the foundation. Beyond grant-making, most community foundations perform key intermediary roles in convening, visioning, information gathering, knowledge sharing and resource development.

Rural community foundations are unique in their ability to see and influence a wide and interconnected array of rural community and economic development challenges and opportunities. They can respond quickly to a wide range of issues and bring diverse and sometimes divergent members of the community together in a nonpartisan manner. In rural areas, community foundations are often the *only* institutions that span the many jurisdictions in a natural economic and cultural region and are positioned to pull the region together.

Community foundations also have permanence. Because they build permanent endowed funds from local donors dedicated to the geographic area they serve, community foundations are in a rural region to stay.⁶⁰

The engagement of vigorous rural community foundations is so vital to rural regions that the Aspen Institute's Community Strategies Group (CSG) created a learning

network focused on Rural Development Philanthropy (RDP). Three of the RDP's four learning questions center on the intermediary roles of community foundations:

- How can community foundations use grant-making and program activities to enhance the economic security of low-income rural families and communities?
- How can community foundations raise significant endowment funds from and for rural communities to support rural community economic development?
- How can a community foundation build a region's awareness that its identity and economic and social well-being depend upon both its rural and metropolitan areas?⁶¹

In some cases, the most effective intermediaries are people, organizations or institutions considerably outside the area. These external intermediaries can sometimes urge the community in new directions and then get out of the way. A good example of external mediation is Rural Development Initiatives (RDI), a non-profit organization spun off from the Oregon Economic and Community Development Department in 1992.

When a community finds itself with a daunting challenge or new opportunity, RDI assists local leaders to develop new skills and more effective organizational structures, action plans and resource networks. The organization has worked in over 200 communities and graduated at least 2,100 rural volunteers -- formal and informal leaders -- from its original and current (mostly co-sponsored) leadership curricula: the Rural Future Forum, the Ford Institute Leadership Program, Leadership Plenty and one- to three-day training seminars.⁶² RDI hosts a popular Regards to Rural annual conference and directs other convening projects and networks across rural communities (e.g., Connecting Oregon for Rural Entrepreneurship Kellogg Foundation-funded collaborative). Although RDI is a particularly robust intermediary, similar organizations or agencies exist in other states.

[Case Study 11]

A Strong Intermediary, New Voices and Grassroots Visioning in Rural Northern California

The Humboldt Area Foundation (HAF), in rural northern California, illustrates how powerful intermediaries can initiate an activity and then step back so that others own and take credit for the results. The non-profit community foundation serves as an independent staging ground for residents to build social, economic and environmental prosperity, individually and in concert with each other, in California's North Coast.

HAF believes that good ideas, and the hard work necessary to accomplish those ideas, come from all facets of the north coast community. To facilitate the interchange, the Foundation, together with two other intermediaries – Humboldt State University and

the College of the Redwoods, the local community college – convened Redwood Coast Rural Action (RCRA).

RCRA brings together diverse grassroots civic leaders from the four rural counties of Del Norte, Humboldt, Mendocino and Trinity. The conveners provide infrastructure and staffing, but never control the agenda, which comes from RCRA working groups on the economy, community health and the environment.

The goal of RCRA is to inspire intentional, healthy regional decision-making and action that conserves natural resources; diversifies and expands the employment base; maintains a rural quality of life; cares for the health of the region's population and communities; and expands opportunities for family economic success. It's a tall order, but one that is already moving forward.

Inclusive regional leadership has emerged from the four counties covering an area larger than Massachusetts. At the table for the first time – each committing at least 10 days a year – are tribal, environmental, business entrepreneurial, educational and community health leaders. They represent the political left, right and center. The most difficult issues in the region are explicitly on the table.

RCRA is the second and regionalized outgrowth of the Institute of the North Coast (INC), a Humboldt County pilot project initiated in 1996. INC sought to assert citizen leadership over failed attempts to revive a declining resource-based economy and respond to pressing social issues, including domestic violence. INC generated a completely restructured economic development system of support for entrepreneurs and business clusters and brought new cooperation between business and environmental interests. The regionalized RCRA is following in the INC footsteps.

Principle 8: Investing local capital

A final, bottom-line distinction between declining and thriving rural communities is if, and how, they invest in themselves. It's plain good judgment to make such an investment, yet many rural communities look to outside funders and assistance providers without first committing their own resources. Regions that invest in themselves leverage additional capital, be it monetary, physical or in-kind.

Community endowments are powerful vehicles for capturing and investing local capital, especially in rural regions experiencing significant intergenerational transfer of wealth. In 2001, the Nebraska Community Foundation (NCF) completed analyses of

both the magnitude and peak of the intergenerational transfer of wealth for each of Nebraska's 93 counties. Nebraska, especially rural Nebraska, is a "land rich, cash poor" economy, primarily driven by production agriculture. With a great deal of rural poverty (seven very rural Nebraska counties ranked among the 12 poorest in the nation in 2001), an aging population, and several decades of out-migration of young adults, building strategies based on community assets became critically important.

Based on the groundbreaking work by Havens & Schervish (Boston College, 1999), NCF estimates that \$94 billion will transfer in the next 50 years in rural Nebraska (750,000 citizens). More important than these vast sums is the timing, with 86 of 93 Nebraska counties experiencing their peak transfer on or before 2039; 26 very rural counties will peak on or before 2014. By comparison, the peak transfer for the United States will not occur until sometime after 2050, if ever.

Using this analysis as a call to action, NCF is setting up affiliated community funds across the state and helping those funds to build endowments. In total, 74 community affiliated funds now have more than \$26.4 million of combined endowment and expectancies, more than triple the combined total of three years ago.⁶³ Also, Nebraska recently instituted a tax credit for gifts to endowments.

Given the intense competition for government and foundation dollars, only self-investing communities will merit additional support in the years ahead. The investments may be modest, perhaps non-financial, but they demonstrate the community's or region's dedication to change. Thus, rural regions can evolve into vibrant places.

Part II

Lessons Learned through the Community Clustering Initiative

Part II describes the Community Clustering Initiative (CCI), RUPRI's experiment in operationalizing the principles of effective governance in three rural, multi-community regions of the Northwest. It explains the CCI's purpose, working hypothesis, project design and methodology, outcomes on the ground and the picture of rural poverty as seen by the CCI's local elected officials. Most important, Part II presents the lessons learned about effective governance through the experiences of three rural regions.

For a period of one year (May 2005 through April 2006), the RUPRI Rural Governance Initiative directed a project to assess the principles of effective governance in three multi-community regions of the rural northwest. The project, titled the Community Clustering Initiative (CCI), was supported by the Northwest Area Foundation, a foundation committed to helping communities reduce poverty for the long term. The Foundation makes program-related investment and mission-related investments in rural, urban, American Indian and rural Latino communities in Minnesota, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington and Oregon.

The Community Clustering Initiative tested the idea that improved social and economic outcomes are most likely to occur in rural regions when the following conditions exist:

- Elected officials, local business leaders and emerging civic leaders of nearby communities cluster together, with intermediary support (coaching), to understand and act on important information about their region. The mix of local government, business and civic leaders breaks through institutional fault lines (albeit, slowly) and capitalizes on the skills and resources each sector and jurisdiction brings to the table.
- Youth are active, empowered participants in the process. Rural America laments the exodus of youth, yet few communities genuinely engage young people in community decision-making. When youth and other new voices (e.g., Native Americans) are welcomed into the governance process, *things happen*. New ideas come forward and new strategies emerge.

The CCI tested these concepts while advancing two outcomes of great interest to the Northwest Area Foundation:

- that rural elected officials put citizen engagement and poverty reduction higher on their list of priorities; and

- that rural communities see themselves within an economic and cultural region and pursue poverty-reduction strategies on a regional basis.

The Initiative's supposition about how to improve social and economic outcomes coupled with the Foundation's poverty focus led to a central question: *how* can rural elected officials be influenced to become more knowledgeable about their wider economic region, more invested in citizen engagement and more committed to eliminating poverty? What activities or experiences press rural officials in these new directions?

Based on earlier work, the Rural Governance Initiative judged that rural leaders were unlikely to shift their thinking and action in response to an article or workshop, no matter how informative or persuasive it might be. *Lasting transformation among rural officials was more likely to occur when officials worked on a tangible poverty-related issue on their home turf, but across political boundaries, sectors and generations.*

Most elected leaders strive to better the economic conditions of their resident individuals and families. They understand the value of good-paying jobs and access to affordable housing and health care. Local officials also try to become more knowledgeable and experienced local government leaders. But elected officials operate under increasing time and resource constraints.

That's why lasting change among rural leaders is most likely to come about not through reading or listening, but through on-the-ground experimentation – *situations in which local officials have the opportunity to make fresh discoveries about their region, build deeper relationships with a diverse citizenry and create new connections to area resources.*

Project Design and Methodology

The first step in launching the CCI was soliciting comments on the project design from the Northwest Area Foundation and respected colleagues in the fields of rural development, community capacity-building and youth engagement. These consultations refined the project methodology and directed staff to potential multi-community regions and regional intermediaries in the northwest region.

Roles and Responsibilities of Clusters, Intermediaries and CCI Staff

Potential multi-community regions were groups of rural communities that shared an economic and cultural region and were committed to strengthening rural governance, but had little experience in collaboration on poverty reduction. To participate in the CCI, at least some of the communities within the region must have participated in a

leadership development or community visioning program during the past few years (e.g., Leadership Plenty, Hometown Competitiveness). Selected multi-community regions formed a *community cluster* representative of the communities' ethnic and economic diversity and comprised of elected officials, local business leaders, emerging civic leaders and high school youth.

Regional intermediaries were well-networked organizations that could serve as coach, facilitator and/or expert resource provider to the cluster. Potential intermediaries included non-profit development organizations, USDA Cooperative Extension offices, community colleges, community foundations, regional development districts or other organizations in the northwest region.

The project design outlined key roles and responsibilities of the multi-community clusters, regional intermediaries and CCI staff. Each multi-community cluster was required to:

- Sustain a diverse cluster membership that would work together over the course of one year to analyze their regional economy and devise poverty reduction strategies.
- Actively solicit involvement from the region's elected officials, local business leaders, emerging civic leaders and high school youth and incorporate youth as active, empowered participants.
- Meet as a cluster six or more times over the course of the project, beginning with a local organizing session.
- Collaborate with a regional intermediary organization that is grounded and respected in the region and can further the cluster's work.
- Designate a local individual with credibility across the region's local government, business and civic sectors who would serve as a *cluster encourager*. The cluster encourager would be responsible for coordinating the cluster's work in collaboration with the regional intermediary. This person also would participate in monthly CCI-led learning sessions (via conference call) and regularly report progress to CCI staff.
- Participate in at least three learning retreats facilitated by CCI staff and conducted electronically using online conferencing software. Each cluster would receive the required Web cameras and microphones.

Each regional intermediary had to agree to:

- Serve as a coach, facilitator and/or expert resource provider to a cluster; assist the cluster encourager as he/she requested; and be on-site for at least half of the cluster meetings.

- Receive and manage a small resource fund to cover staff time of the Cluster Encourager and Regional Intermediary (as funds permit) and the cluster's direct expenses (e.g., travel within the region, room rental, refreshments, printing).
- Participate in monthly CCI-led learning sessions with the cluster encourager and contribute to the online learning retreats facilitated by CCI staff.
- Regularly report progress to CCI staff.

In return, the CCI staff acted as national intermediary and committed to:

- Serve as an advisor and resource to community clusters and intermediaries and coordinate relationships between them.
- Plan and facilitate monthly learning sessions with cluster co-managers (via conference call) and at least three online learning retreats.
- Identify and distribute targeted resource materials of use to particular regions or related to specific poverty-reduction issues.
- Design and implement systems for observing, evaluating and drawing lessons from the project.
- Prepare a publication that reports these lessons to policymakers (local, state and federal), program directors (public and non-profit), funders (government and foundations) and intermediary organizations.

Selection of Multi-Community Clusters and Regional Intermediaries

The CCI selected the following clusters and intermediaries based on their commitment to strengthen governance in their region and to work together over the course of one year to analyze their regional economy and devise poverty reduction strategies.

(Descriptions and maps of the three cluster regions appear later in this report.)

- *Coos County, Oregon* - A cluster organized around the trifurcation among the county's "urban" northern region (Coos Bay, North Bend), its rural, unincorporated and largely struggling central-southern section (Powers, Coquille and Myrtle Point) and a new golf resort community in the southwestern corner (Bandon). The county is home to two Indian tribes: the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians and the Coquille Indian Tribe.
- *Lake Francis Case Region, South Dakota* - A cluster straddling three counties (Lyman, Brule and Buffalo) and the south-central branch of the Missouri River. Member communities included Chamberlain, Oacoma, Reliance, Kimball and the Lower Brule (Sioux Tribe) Reservation Community. The Crow Creek Sioux Tribe also is located in the region. Children across the region are educated at schools in Chamberlain or Oacoma.

- *Jefferson County, Washington* - A cluster focused around the tension between the north county's attraction of ex-urban retirees (Port Townsend) and the south county's retention of people tied to poorer, natural resource-based and partially tribal communities (Jamestown S'Klallam Tribe).

The cluster encouragers were associated with organizations based in the region: ShoreBank Enterprise Pacific in Coos County, OR; Lake Francis Case Development Corporation in Chamberlain-Oacoma, SD; and Jefferson County Education Foundation in Jefferson County, WA.

The regional intermediaries were staff of two non-profit community development assistance organizations: Rural Development Initiatives, Inc. in Oregon, and South Dakota Rural Enterprise, Inc. in South Dakota. The third intermediary was staff of a governmental agency: Jefferson County Extension in Washington.

Adaptations to Project Design

The original project design had members of each cluster working together over the course of one year to analyze their regional economy and devise poverty reduction strategies. This design was modified in three ways. The first adaptation reduced the cluster work period from 12 to 10 months for a number of logistical and budgetary reasons. This modification led to the second adaptation: shifting from an analysis of the regional economy to an informed dialogue about the region's social and economic conditions. Had time and project finances allowed, the CCI would have retained a more formal community economic analysis process. But doing so would have further reduced the work period by several months. (See Lessons for the Field for an explanation of the value of community economic analysis.)

The third modification was put forward by the cluster encouragers and regional intermediaries themselves. Very early in the project, they talked about their communities' exhaustion with the word "poverty." All shared a commitment to reduce the poverty present in their communities. But they firmly believed that the "poverty" word was getting in the way of positive thinking and action in their region. In place of "reducing poverty" they suggested "expanding prosperity," a more asset-based framework. Furthermore, the cluster co-managers deemed that a focus on prosperity rather than poverty would allow them to make tangible progress in the limited project time period.

With these adjustments in place, and with guidance from CCI staff, the cluster encouragers and regional intermediaries led an informed discussion about their

region's social and economic conditions. The dialogue centered on barriers to expanding prosperity for all. Over the course of several cluster meetings, the discussion translated into a specific project that would – in whatever small way – help to move the region towards decreased poverty and greater prosperity.

It was essential that the prosperity-related project be sufficiently realistic, concrete and able to be accomplished over a 10-month period. Once cluster members agreed on a project, the following questions guided their work:

- What are the key assumptions going into the project? How will the project work? (More detailed thinking permits the planners to determine who needs to be involved and to build in the feedback loops to tell if the project actually is working.)
- What is the history of related efforts in the region? Who would know?
- What is currently happening on the ground related to this area of concern? (Include planning activities that may be underway). Who would know?
- Are there any other models for the project? What information about these models would help in the project development and implementation? How can these models be tracked?
- What are reasonable progress indicators that could be expected to be observed within the project time period that will indicate whether or not the initiative is moving toward the anticipated outcomes?

Learning Retreats

Cluster members and their regional intermediaries participated in three online learning retreats led by CCI staff. The learning sessions lasted three hours and were spread across the project period: September 2005, November 2005 and February 2006. As described below, the retreats were conducted using online conference software, Web cameras and other technology. These tools allowed retreat participants to see and hear expert presenters and fellow CCI participants without leaving their home turf. This arrangement saved precious time and resources.

The specific content and format of the retreats were based on on-going input from cluster participants and their co-managers, an intentional aspect of the project design. Each retreat had an over-arching theme and all incorporated time for sharing project updates, challenges and lessons across the three sites. The retreat agenda, PowerPoint presentations and other materials were printed and distributed to participants at the beginning of each session to allow notetaking.

The following individuals delivered materials and facilitated portions of the online retreats either on-site (in Oregon, South Dakota or Washington) or from their home or office locations:

- Luther Snow, Consultant, Asset-based Community Development Institute
- Hartley Hobson, Vice President, Innovation Center for Community and Youth Development
- Kathy Moxon, Associate Director, Humboldt Area Foundation
- Brian Dabson, RUPRI Associate Director
- Nancy Stark, Director, RUPRI Rural Governance Initiative

Karla Miller of the Northwest Area Foundation also traveled to Oregon to participate in the second retreat.

Use of Technology to Share Resources and Learning

The project design incorporated technology as an affordable vehicle for sharing resources and promoting peer learning among three geographically-dispersed rural regions. The CCI employed Macromedia Breeze, an Adobe online conferencing product. Breeze operates through Flash Player, software routinely installed on 98 percent of computer browsers. Organizations and companies increasingly are using multi-media communications software to conduct training, marketing, sales and web conferencing across distances.

The CCI had free access to the software through a partnership with the Western Rural Development Center based at the Utah State University (USU). (USU holds a Breeze license and makes the tool available to eligible university programs.) The Center's Information Technology Administrator served as technical manager of the three online retreats and provided invaluable support. For a nominal cost, the three cluster sites and each retreat presenter (if presenting from a remote location) received Web cameras and table-top or headset microphones. Each cluster site also employed a LCD projector to project the laptop image onto a large viewing screen and computer speakers to increase audibility across the meeting room. These tools allowed speakers to deliver a variety of content via PowerPoint presentation. As discussed later in the report, this technology proved to be both fascinating and frustrating.

Evaluation Systems

The CCI designed and employed a number of systems for tracking progress and drawing lessons for the field. CCI staff fulfilled the following responsibilities:

- Contracted with an evaluation consultant, Shanna Ratner of Yellow Wood Associates, who advised throughout the project and offers recommendations at the end of this report. Ratner originated the *You Get What You Measure* evaluation

process which has been used by federal and state government and non-profit organizations throughout the country.

- Conducted a baseline assessment of current governance practices. At the first cluster gathering, each participant answered a series of questions about the region's experience in collaboration, citizen engagement and leveraging regional resources.
- Required the cluster encourager and regional intermediary to prepare and revise a scope of work describing the cluster's prosperity-related project and a final report documenting outcomes achieved, lessons learned, etc.
- Evaluated the three online learning retreats through a participant evaluation process and a post-retreat conference call with cluster co-managers (three encouragers and three intermediaries).
- Made site visits to all three regions. CCI staff presented at cluster meetings and conducted focus group discussions with local elected officials. In one region (Jefferson County), discussions with elected leaders had to be conducted via conference call.
- Recorded evidence of progress, challenges and lessons during monthly (or more) three-way conference calls with each cluster team (cluster encourager and regional intermediary).
- Led monthly learning sessions (via conference call) with the six cluster co-managers. CCI staff used these sessions to share resources pertinent to the cluster's work and bring in expert presenters.
- Consulted with experts in the field of workforce preparedness, entrepreneurship, youth engagement and other areas; shared guidance with cluster co-managers.
- Delivered presentations on the Initiative at the following meetings and conferences: Maine Rural Summit; National Public Policy Education Committee Conference; North Carolina Rural Economic Development Center Conference, National Conference of State Legislators Rural Policy Academy and Washington State Basic Economic Development Course.

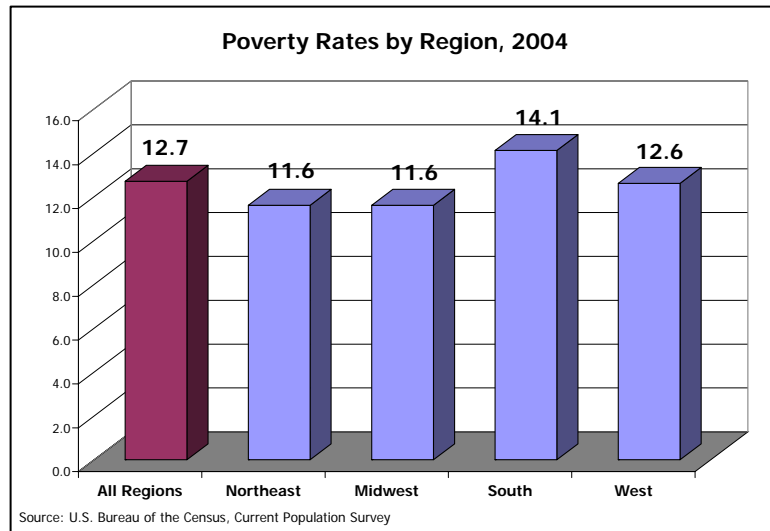
What Poverty Looks Like in Cluster Regions

This section discusses the nature of rural poverty, illustrates poverty in the eyes of the CCI's local elected officials and provides descriptions and maps of the three cluster regions.

The Nature of Rural Poverty

Poverty rates are higher and more persistent in non-metropolitan than in metropolitan areas. Along a continuum of the most urban county to the most rural county, poverty rates are highest in the most remote rural areas. High poverty and persistent poverty counties are disproportionately rural. Of the 386 persistent poverty counties defined by

the Economic Research Service, USDA, 88 percent are rural counties. Poverty rates vary by region, with the highest rates in the South followed by the West; the lowest rates are in the Midwest and Northeast.



Many factors contribute to the high levels and persistence of poverty in rural areas. While the rural poor are likely to be working, they are more likely than their urban counterparts to be in low-wage jobs. Thus, poverty is higher among working families in rural areas than in urban areas. Wages are lower in rural areas and the ability to earn enough for a family to live above the

poverty line is harder. Economic opportunities in rural areas create a barrier to exiting poverty, particularly in rural areas dependent on natural resource extraction, often the only or the major industry. In these instances, the rural area becomes very vulnerable to economic cycles in that industry.

Poverty rates are particularly high among female-headed families; poverty rates among these families in non-metro areas exceed those of metro areas, with over one-third of people in non-metro female-headed households meeting the definition of "poor."

Poverty certainly is an urban problem as well as a rural problem. However, many of the factors that affect poverty are different between rural and urban areas, suggesting that there is no "one size fits all" approach to addressing poverty. Strategies to improve the economic conditions of the rural poor must focus on specific situations and characteristics.

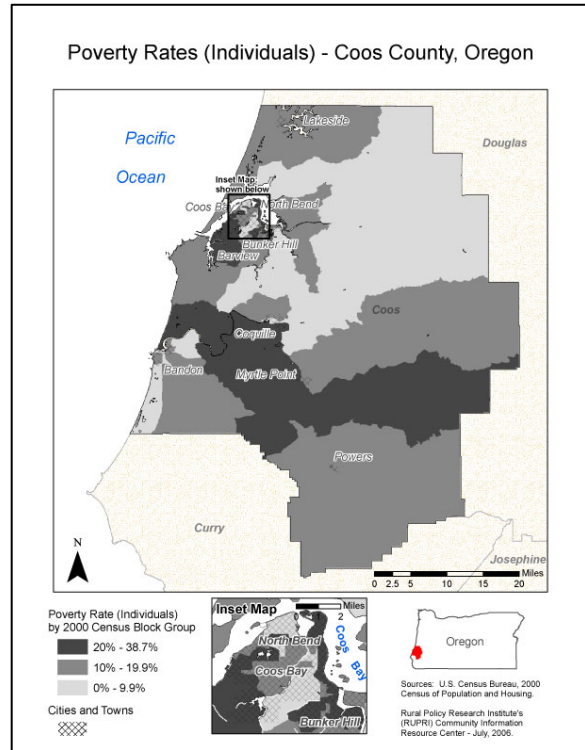
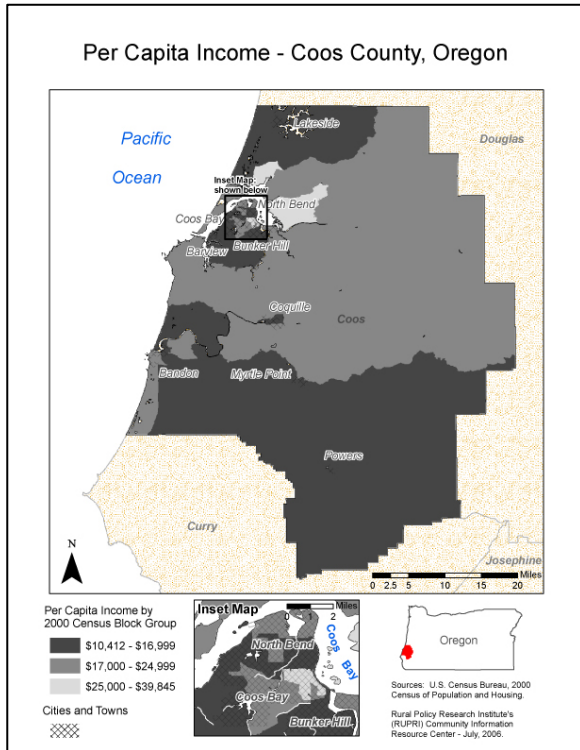
With this understanding of rural poverty, RUPRI asked the CCI's elected officials to describe what poverty looks like in their regions. They painted the following picture:

- In many families, both parents are working, often in multiple jobs, and still are struggling to cover housing costs and basic living expenses. People can't get ahead; they are one or two paychecks away from homelessness.

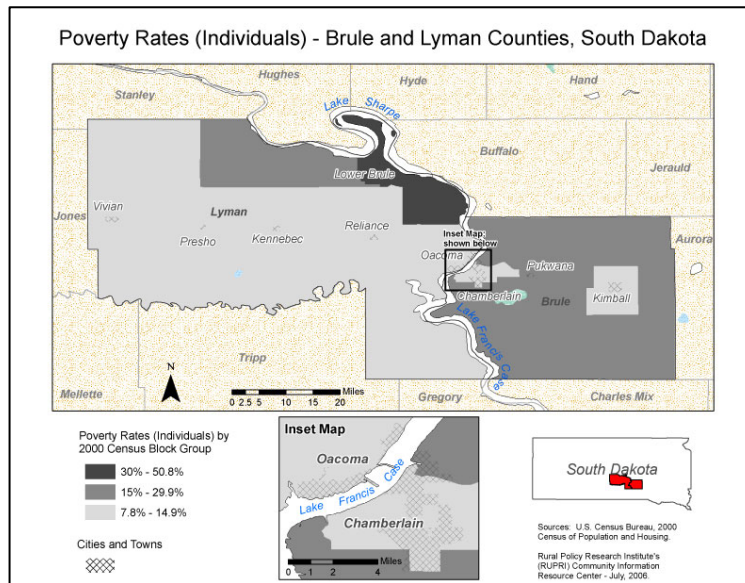
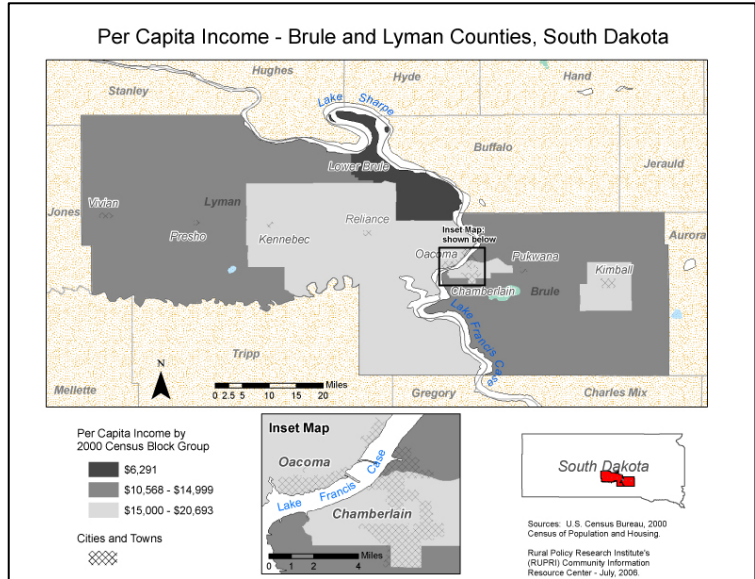
- Kids are dropping out of school in large numbers. Kids are taking care of kids. In some communities, literacy rates are so low that the Army rejects would-be recruits.
- Limited numbers of people receive Temporary Assistance for Needy Families (TANF) cash grants, but huge numbers of working-poor people participate in the food stamp program, energy assistance, housing assistance, etc.
- Families are living in sub-standard housing and bunking up, with several families in one home. Disabled people, especially seniors, are trapped in inaccessible housing.
- Regrettably, many leaders in local government, economic development and workforce arenas think that poverty isn't a big issue. They talk about people who don't want to work and who abuse the system. These leaders don't realize that "those people" are working people. They don't appreciate the unbelievable challenges people face in moving out of poverty and how tough it is to advance economically. Other leaders recognize that local poverty exists, but assume that the state will take care of it.

Descriptions and Maps of Cluster Regions

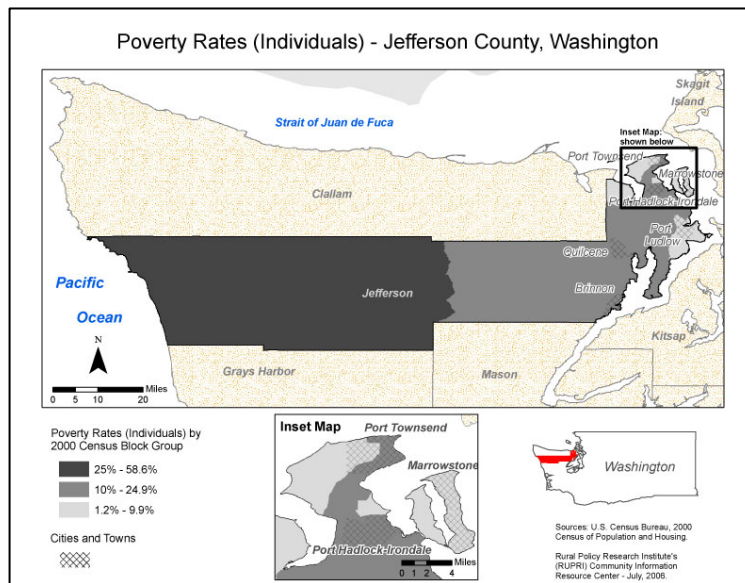
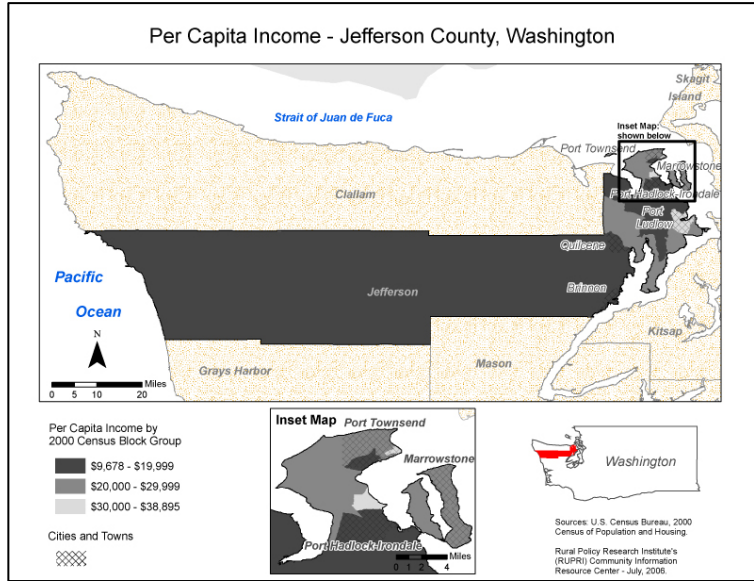
Historically, the fisheries and forestry industries made up the economy of *Coos County* (pop. 62,779 across 1,600 square miles). For the past 20 years, steady declines in these industries have resulted in increased poverty and limited opportunities for youth and young adults. The county also has experienced a considerable in-migration of older residents. While benefiting the economy, this influx has spiked housing costs, putting increased pressure on low- and moderate-income families.



The *Lake Francis Case Region* occupies much of rural Brule and Lyman Counties (pop. 9,259 across 2,450 miles) and a portion of Buffalo County. The USDA Economic Research Service classifies Brule and Lyman as farm-dependent counties --either 15 percent or more of average annual earnings were derived from farming during 1998-2000 or 15 percent or more of employed residents worked in farm occupations in 2000. Farm dependency imposes economic stress on the overall region. Lyman County also is classified as a non-metro recreational county and home to Cedar Shore, a resort and conference center spawned by local leaders. Like Jefferson and Coos Counties, the Lake Francis Case Region has experienced major youth out-migration.



Remote *Jefferson County* (pop. 25,953 across 1,808 square miles) has been hit hard by the 1980-1990 natural resource and economic transitions. Salmon fisheries, once the backbone of local youth labor, are now listed on the federal ESA lists. Timber, the king on the peninsula for decades, changed under the Federal Forest Plan, causing local harvests to drop from 440 million board feet to less than 30 million board feet. The drop resulted in dramatic unemployment, economic re-location and polarization among the county's rural communities. Today, with some of the oldest median landowners in the state, Jefferson County is faced with an export of its youth, falling numbers in the schools and a loss of farm land as new wealthy residents develop former resource-based lands.



Outcomes on the Ground

While there is much work yet to be done, the three CCI sites achieved many results over a period of just 10 months.

Coos County, Oregon

The Coos County Cluster focused on the lack of alternative, technical educational programs for youth and young adults, especially those “at risk.” The lack of technical programs on the secondary level makes it difficult for some youth to obtain a high school diploma – a prerequisite for success in the 21st century job market – and turn their interests into marketable skills. The cluster committed to interview regional resource providers (including community college), assess gaps in services, identify model programs from outside the region and create a plan of action.

Through the CCI, the Coos County cluster:

- Engaged a wider range of community members in community decision-making, including tribal members, youth and individuals from rural areas outside the urban center of Coos Bay/North Bend.
- Facilitated mentoring between long-standing and new elected officials and between community leaders and local youth.
- Brought the issue of professional technical education (PTE) for youth to prominence among local elected officials, community leaders and social service providers. Specifically, the project helped local leaders to see the link between the lack of alternative job-skill training at local educational institutions and the presence of poverty.
- Merged the cluster’s PTE research into the Pathways Workforce Coalition, a group of local employers, workforce and educational providers focused on workforce preparedness. But for the cluster’s efforts, elected officials and other community leaders – including youth – would not have connected with the coalition.

It’s exciting to see evidence that engaging rural youth has a ripple effect on the community as a whole. We’ve seen the unique assets that youth bring to communities in terms of bridging divides, changing community culture (e.g. towards more entrepreneurial thinking) and generating momentum. While this project focused on engaging youth in the local economy, the presence of youth in community decision-making does more; it generates energy that strengthens the community for everyone.

- Kathi Jaworski, Executive Director, Rural Development Initiatives, Eugene, OR

Lake Francis Case Region, South Dakota

In response to the region-wide problem of out-migration by rural youth, the Lake Francis Case Cluster (Chamberlain-Oacoma Region) focused on expanding youth programs and increasing youth engagement in community decision-making. The region's long-term goal is to create a learning/technology center that can provide youth and adults with continuing education and employment-focused training close to home.

Through the CCI, the Lake Francis Case Cluster:

- Expanded citizen engagement efforts initiated through the Community Vision Coalition.
- Brainstormed and identified several affordable, short-term prosperity-related projects of benefit to the region.
- Conducted research to confirm the lack of adequate career/technical education and life-long learning programs for youth and adults in the Lake Francis Case region.
- Developed a plan to bring vocational/technical education to the region through cooperative arrangements with the Chamberlain School District, Kilian Community College, Mitchell Technical Institute, Lower Brule and Crow Creek Sioux Tribes, Lower Brule Community College and area employers.
- Drafted a survey to query regional workers and employers about career-technical education needs and interests; issued a Request for Proposal (RFP) and evaluated proposals; and selected a contractor who will carry out the survey using CCI funds.
- Experimented with engaging more youth involved in community decision-making and determined that the young adult population (post-high school) may be the best group to target.

Dad, this would be a great place to stay if there could be a decent jobs for me.

Too bad there won't be. Son, that's why we have to change.

- 12-year old boy and his father at the first Lake Francis Case Cluster gathering, SD

Our region needs classes that teach basic business skills. I started a successful one-person computer support business and sold it to a technically competent person who, as it turns out, didn't have the business sense to keep it going. The business faltered. If we had business classes at the high school and community college, potential entrepreneurs would have a place to acquire these essential business management skills.

- Kim Halverson, Lyman County Commissioner, SD

Jefferson County, Washington

The Jefferson County Cluster focused on building a better future for the region's 16-to-35-year-olds, especially youth who are not presently college-directed. The region has no established system for connecting employers with qualified, dependable youth.

Likewise, youth lack the networking and marketing skills to articulate their skills to potential employers.

Through the CCI, the Jefferson County Cluster:

- Elevated the community conversation about 16-to-35 year olds, evidenced by the fact that youth and young adults are now a top priority of the reconstituted county development agency.
- Held a hugely-attended rural economic summit that propelled the community from a "victim" to an "asset-based" mindset. The summit broke down barriers and initiated dialogue among the region's local government, school, business and workforce "silos."
- Launched a new, county-wide economic localization group that will collaboratively address south, central and north county issues.
- Created a nationally-recognized 4H Web site that excites local youth about technology and is home to youth-directed digital interviews, portfolios and more.
- Started to organize a mentoring program in which retirees – especially successful, former city dwellers – will mentor local youth.

In the past it was all about deficits. But this time, we weren't just talking about 'the problem.' We're working from our strengths.

- Participant, the Jefferson County Rural Economic Summit, January 2006

Lessons for the Field

Did the principles of effective governance – collaboration, citizen engagement and leveraged regional resources – push local leaders to make fresh discoveries about their region, build deeper relationships with a diverse citizenry and create new connections to area resources? Did the CCI cause rural elected officials to become more knowledgeable about their economic region, more invested in citizen engagement and more committed to poverty reduction efforts?

Broadly speaking, the answer is "yes." The CCI surfaced much evidence that the principles of effective governance nudged the regions towards more robust community

decision-making and expanded economic prosperity. But equally important, the Initiative generated a deeper and more nuanced understanding of why and how to further collaboration, citizen engagement and leveraged resources in challenged rural communities.

The balance of this report explores these and other observations in details. Lessons generated through the CCI are put into a framework for use by policymakers (local, state and federal), program directors (public and non-profit), funders (government and foundations) and intermediary organizations. The intention is to inform an array of programmatic and funding decisions, including the allocation of scarce resources within organizations, content of RFPs, choice of selection criteria, complexion of advisory boards, content of pre-application workshops for potential grantees, etc. However, the lessons learned through the CCI may be of equal interest to community practitioners.

Lesson 1: Shifts in local governance don't just happen.

Many long-standing residents are very vocal and resist any change.
- Participant at first Lake Francis Case Cluster meeting.

Newcomers and long-time residents – that's a politically correct expression of the have's and have not's.
- Participant at first Jefferson County Cluster meeting.

Collaboration across sectors and political boundaries is simple to declare, but tough to effect, even within a single county. Citizen engagement is a slow, trust-building process that doesn't come about through conventional meetings. Concern for rural youth is a potent rallying strategy, but few adults know how to partner effectively with youth on community work. Regional intermediaries offer precious resources, but they sometimes do damage by stepping in too quickly or too forcefully. Also, asset-based thinking wields tremendous power for discouraged communities, but it must be informed by a solid understanding of the region's economy.

The first and most fundamental lesson generated by the CCI is that shifts in local governance don't just happen. Collaboration, citizen engagement and leveraged regional resources are fundamental to a region's social and economic future. *But*, unless funders and policymakers take deliberate steps to build these principles into program and funding criteria, most rural regions will continue to make decisions as they always have – with the more urban, affluent portion of an otherwise rural county dominating the agenda; with few minority, low-income and young voices at the table; and with

limited understanding of the region's unique social and economic conditions. The next eight lessons follow from this foundational conclusion.

Lesson 2: Concern for rural youth can leverage attention on poverty reduction.

All three clusters drew an immediate connection between concern for rural youth/young adults and poverty reduction. With no outside prodding, discussions about reducing poverty and expanding prosperity quickly zeroed in on the lack of economic opportunities for rural youth, especially youth who are not currently college-directed and vulnerable to substance abuse (e.g., methamphetamine).

The clusters underscored critical deficits such as: poor job readiness among young adults; little or no professional technical education and/or entrepreneurship training at the secondary and community college levels; few part-time jobs; and no system for funneling jobs to eligible youth. Youth complained about local employers not treating them with respect and businesses protested that youth don't want to work. These issues could be powerfully coalescing for schools, workforce training organizations and employers. Yet, *at the start*, none of the clusters incorporated representatives of the workforce investment sector or community college and only one included a school representative.

The decision to focus on local youth is well explained by Coos County Cluster's Regional Intermediary:

Great expectations do not abound for many of the kids in this county. In a region that's been hard hit by a changing economy and crippled forestry and fisheries, there is no clear path to prosperity for many young adults. Kids, who 40 years ago would have moved from adolescence to a well-paying, lifetime vocation, have had to throw away the model that worked so well for their parents. At the moment, that means accepting low paying jobs with little future for advancement.

- Bob Ault, Community Development Associate, Rural Development Initiatives, Eugene, OR

Conversations about rural youth spurred concrete action. One cluster drafted a plan for establishing cooperative agreements among the schools (K-12 and community college), Indian tribes and area employers. Another cluster merged the group's professional technical education research with a multi-sector coalition focused on workforce preparedness. The third cluster convinced the newly re-engineered county economic development organization to make the future of local youth one of its priority concerns.

The clusters' focus on local youth reaped additional gains: it cut across the regions' political boundaries and sectors and it served as a lever to bring disparate people and sectors to the table. The CCI experience demonstrates that by putting the spotlight on struggling local youth, regions may incite increased citizen involvement and, over time, achieve more progress on poverty reduction. The implication for policymakers, program directors and funders is to incorporate and support activities, policies and structures that capitalize on concerns about rural youth. (Also, see Lesson 6 concerning youth engagement.)

Lesson 3: Rural elected officials can, and many do, play a vital role in poverty reduction.

In March 2006, the Northwest Area Foundation (NWAFF) released the findings of a nationwide survey of the public's perception of poverty in their communities. The survey concluded that Americans are acutely aware of people "struggling to get by" in their communities, yet they are optimistic about future prospects. Americans are willing to take action personally on this issue.

Communities across the country are working together to reduce poverty long term and they're getting measurable results. Locally elected officials have an important role to play in reducing the number of people who are struggling to make ends meet.

RUPRI asked the Initiative's elected officials to reflect on the NWAFF survey results and identify the roles local government leaders play in poverty reduction. Such roles are constrained by limited local financing power (e.g., caps on budget increases), declining state and federal resources (e.g., Head Start, infrastructure financing) and a need to avoid regressive tax increases (e.g., sales, property taxes) because they impose disproportionate financial burdens on lower-income families. However, elected leaders – especially county officials – possess several powers and resources to alleviate poverty in their region. Elected officials of the three clusters outlined the following roles for local government leaders:

- Many decent jobs in the region are going unfilled, largely because the professional technical education required for the positions is not readily available in the area. Large companies are having particular difficulty hiring qualified workers. Employers need training programs focused on developing workers' "soft skills" in basic math and financial literacy, personal hygiene, customer care, etc. *Elected officials can address this issue by convening local actors* – in government, economic development, workforce, high school and community colleges – *and*

pushing for collaboration among their programs. All sectors must be at the table to tackle complex issues such as workforce shortages and the mismatch between community college offerings and businesses' worker needs.

- Most of the jobs in these regions are in small businesses. That's good news because a local economy comprised of multiple small businesses is a more resilient economy. *Elected officials can strengthen the region's small business sector by putting a public spotlight on business retention and entrepreneurship.* Local leaders must maintain an atmosphere that's conducive for business development and an agenda that supports existing businesses and budding entrepreneurs, rather than importing businesses from outside the area.
- Local leaders can stress the importance of *focusing on youth to break the intergenerational cycle of poverty and to grow the community for the new economy.* Officials can take a leadership role in expanding and promoting youth activities and increasing youth involvement in community decision-making (e.g., youth on governing boards). Government can use its bully pulpit to foster youth entrepreneurship training in school and after-school programs and at the community college.
- Elected leaders can pilot *other initiatives that provide immediate relief to struggling individuals and families.* For example, officials can enroll their county in the National Association of Counties (NACO) Discount Prescription Program. Through the program, uninsured participants receive prescriptions at a 50 percent discount. Officials can establish drop-off centers where citizens donate surplus furniture, kitchen supplies, children's toys and school supplies, etc. for needy families.
- People are often isolated and discouraged. *Local leaders can play a vital role in getting people talking to each other and hosting focused dialogues* where citizens thrash out hot-button issues such as under-age drinking, the methamphetamine epidemic, etc. People are tired of monthly meetings, but they will show up for focused conversations on matters of particular concern to them.

These comments warn policymakers, program directors and funders to neither exaggerate nor discount the prosperity-development powers and resources availed to local elected leaders. Examples of programmatic implications are: putting local officials through a deliberate process of identifying their roles in poverty reduction; supporting community dialogues about prosperity development; facilitating collaborations between local government and civic organizations; and allowing selected funding

decisions to be made on the local level (e.g., using lottery dollars to support entrepreneurs who create family wage jobs as supported in Coos County).

Lesson 4 : In order to engage under-represented individuals, there is no substitute for having sufficient time for outreach and relationship-building.

The CCI experience brought new voices to the table and a higher degree of interactivity within the cluster regions. But the Initiative also demonstrated the intricacy of involving and sustaining under-represented individuals in community decision-making. All clusters struggled with this issue, especially around engaging Native Americans and youth (see Lesson 5).

All three regions are home to Indian tribes. The Jamestown S'Klallam Tribe crosses into Jefferson County, WA. Two tribes exist in Coos County, OR: the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians and the Coquille Indian Tribe. The greater Lake Francis Case Region, SD is home to the Lower Brule Sioux Tribe and the Crow Creek Sioux Tribe. Also, the St. Joseph Indian School (boarding school for Lakota students) is located in Chamberlain. Other than the Native American population, the cluster regions are predominantly white.

All research and practice around engaging under-represented individuals confirm that the process can't be rushed, especially when crossing over into other cultures. So it's not surprising that CCI's short time frame made it tremendously taxing to seek and maintain members of the Native American community. The CCI brought in a consultant who recommended specific engagement strategies such as:

- Requesting an audience with the local tribal council(s).
- Making a clear connection between the council's interests and the CCI project. Without formal buy-in from the tribal council, a project involving tribal members won't have lasting effect.
- Inviting two tribal members to participate in the effort, not one. The members must be empowered by the tribal council to represent the Indian community and mobilize its members.
- Asking if the cluster can hold one or more meetings at a tribal location meeting site.
- Determining which radio stations have the most Indian listeners and using local talk shows, public service announcements, etc. to reach out to Native Americans.

Yet, because there wasn't enough time to fully implement the strategies and achieve results, most clusters sustained no more than one tribal representative. The Lake Francis Case cluster was an exception; it incorporated a team of middle school students from

the St. Joseph Indian School. The students spoke up only rarely, however, probably because they felt intimidated by the adults and older (non-Indian) students.

Bringing emerging leaders to the table also was challenging. One cluster switched encouragers because the original person, an inexperienced but budding leader, decided that role was too much for her. Another cluster had a very active county commissioner who initially overloaded the group with elected officials. Although the CCI required a diverse mix of local government, business, civic and youth leaders, the inviting was left up to the cluster encourager and regional intermediary. These incidents demonstrate the challenges of growing emerging leaders and stepping outside of entrenched networks.

The third online learning retreat underscored the importance of having patient time for outreach and relationship-building. In sharing lessons learned through Redwood Coast Rural Action (see case study), Kathy Moxon talked about the many months it took to bring together diverse, grassroots civic leaders from the four rural counties of Del Norte, Humboldt, Mendocino and Trinity. She stressed the value of convening people together, away from anyone's home turf, to build relationships across dividing lines.

The experiences of CCI and RCRA caution policymakers, program directors and funders to give communities enough time and resources to effectively reach under-represented individuals. This need translates into programmatic decisions such as longer time frames for assembling community teams, additional resources to support convening among diverse stakeholders and a more reasonable expectation about how much diverse engagement can be realistically achieved in a project time period.

Lesson 5: Youth must be active respected participants in community decision-making because *they* are the future of rural regions. Unfortunately, most adults are clueless about how to partner effectively with young people.

I believe that local organizations want to include youth, but they don't know how to do it.

- Participant at first Lake Francis Case Cluster meeting.

We seek youth input, but the kids don't always participate.

- Participant at first Jefferson County Cluster meeting.

Engaging youth in community decision-making is tough work. Adults have little knowledge and experience in how to involve youth in a meaningful way. Adults *say* that they want youth input, yet adults frequently drown out or discount the youth

voice. Adding to the difficulty are the facts that middle- and high school-age kids are busy with school, sports, jobs and social activities and are bored by conventional adult gatherings.

The CCI acknowledged these challenges while imparting guidance on how to reach out to young people. At the second learning retreat, Hartley Hobson of the Innovation Center for Youth and Community Development outlined the benefits and difficulties of increased youth involvement in decision-making. She shared community stories, offered tips for successful youth-adult partnerships, and explained how meetings can involve youth and adults as equal partners. Hobson stressed that broad youth engagement means involving young people from all ethnic and economic backgrounds, not just the volunteering “student council types.”

Hobson had cluster members huddle in diverse groups to brainstorm how to use these approaches in their own communities. In one region, the conversations inspired a blunt declaration from youth advising adults to: hold meetings where youth congregate; provide transportation; give sufficient advanced notice via e-mail and posters in youth gathering places; let youth play a role in setting the agenda and the pace; set up youth councils so that young people can learn about issues before they are asked for youth input; and not expect one young person to represent the community’s youth.

Over time, the cluster witnessed that when youth are active, empowered participants in community decision-making, *things happen*. Broad youth engagement incites fresh conversations and shifts power. None of the clusters engaged as many (or as diverse) young people as they had hoped, but all were affected by their youth members. In one cluster, a passive kid from an isolated, rural town gradually stepped into a leadership position. His interest in diesel engine mechanics educated the adult members about alternative career paths.

For policymakers, program directors and funders, these lessons put forward reasons and strategies for building youth into the rural prosperity equation. Possibilities include programmatic decisions about: designating rural youth as a disadvantaged group; incorporating youth-adult partnership-building into the pre-application workshop curricula; and requiring the composition of project planning committees to be one-third youth.

Lesson 6: Asset-based community development and targeted community economic analysis can, together, transform a rural region.

We’re aware of our economic history, but not stuck there.

I believe that most people still yearn for the past.

- Two participants with differing perspectives at the first Coos County Cluster meeting.

Asset-based thinking was a centerpiece of the CCI, starting with a presentation at the first learning retreat. Community economic analysis was incorporated into the original project design, but later modified due to time and resource constraints. The experience of embracing asset-based thinking but omitting community economic analysis demonstrates the magnitude of these community processes. It also suggests the added value of employing asset-based community development *and* community economic analysis in a single region.

It was a transformational moment when Luther Snow, of the Asset-Based Community Development Institute, introduced asset-based thinking at the September 2005 retreat. It's so simple at first blush. But the act of focusing on a region's assets rather than its needs revolutionizes a community's perspective. One region was so stirred that it used a portion of its resource fund to bring Snow across the country to facilitate a rural economic summit. According to Katherine Baril of Jefferson County (WA) Extension, the experience changed the story that people tell about their community: "It moved the dialogue from what's typically outlined in funding applications (needs, problems and deficits) to assets; to qualities that demonstrate our opportunities to change."

Community economic analysis supports sound decision-making and challenges the myths that people have about their community (e.g., that agriculture still supports the local economy). Successful prosperity development is dependent on understanding and acting on a region's unique economic and social conditions. In the CCI, community economic analysis would have given cluster participants a common base from which to work; it would have deepened their work. But community decision support tools like community economic analysis only work if they are targeted – if they offer key facts and concise statements and comparisons about the region, not mounds of Census data.

Practitioners skilled in asset-based community development and targeted community economic analysis seem to operate in very separate arenas. This dichotomy is unfortunate. The CCI experience suggests that asset-based development is all the more powerful if it's informed by targeted economic analysis. Likewise, economic analysis is more inspiring if it's enhanced by asset-based thinking. The implication for policymakers, program directors and funders is to build these community decision support tools into on-going programs – to finance opportunities for community leaders to learn and use these tools with experienced practitioners.

Lesson 7: It takes deliberate attention to maintain a regional focus.

The CCI moved the cluster regions significant steps forward on collaboration across political boundaries. At the onset, the clusters talked about power being concentrated in the more “urban”, wealthier portion of their county or region and individual communities “competing” to be considered “less rural” (meaning better). Meetings were routinely held in the “urban” portion, an hour or more drive from the more rural communities.

But as the CCI evolved, the cluster encouragers drew in more residents from the outermost communities. One cluster held an economic summit in the most remote, rural section of the county. Another cluster deliberately chose a very rural, south county resident to be its Cluster Encourager. While it often was hard to keep a regional focus, the topic of regional collaboration was clearly on the table, considerable progress in itself. Seeing that fierce political boundaries often exist within a single county indicates that collaboration might most productively begin at the sub-county (not sub-state) level and then grow outward.

Lesson 8: Online conferencing and other technologies are powerful tools for sharing learning across rural distances. But they create the most benefit when coupled with some face-to-face interaction.

The CCI employed technology to deliver program support and promote learning among three geographically-dispersed rural regions. The online retreats presented a rare opportunity to acquire new information and resources alongside other similarly-situated rural communities. With online conferencing software, Web cameras, table-top or headset microphones, LCD projectors, etc., cluster members expanded their horizons without driving or flying across vast distances. At no cost, they established new connections with fellow county commissioners, 4H leaders, main street business owners and school superintendents. They also established important connections with expert resource organizations brought in by CCI staff – connections that can be maintained into the future through phone and e-mail communication.

But conferencing via laptops, cameras and microphones can be tricky. The Breeze software required more bandwidth than some regions could muster on a constant basis. Wind and snow storms sometimes interrupted reception. Some mishaps probably resulted from stretching the limits of technology by connecting multiple devices together: laptops, digital video cameras, microphones, sound mixing boards, computer speakers, LCD projectors, etc. As one regional intermediary declared: “We went boldly

where no other rural communities had gone before. No wonder we had some difficulties.”

Despite the mishaps, cluster members were excited by the opportunity to experiment. It was thrilling to see and chat with the other groups assembled around their conference tables. In the words of a cluster members, “To be on the cutting edge for a change.” For the teams of cluster co-managers, the conference calls and online retreats built a true learning community. This development was curious considering that the cluster co-managers never met in person.

The CCI’s experiment with technology offers policymakers, program directors and funders a two-pronged recommendation. First, consider exploiting technology to disseminate information and share learning across rural distances. Use conference calls and online conferencing to give details about a new program, entertain questions about an RFP and host dialogues among rural practitioners. Second, recognize that technology isn’t a substitute for face-to-face interaction. Given additional time and resources, the Initiative would have started and perhaps concluded with a face-to-face gathering of the three clusters (or at least the six cluster co-managers) and CCI staff. For policymakers, program directors and funders, online conferencing supplemented by limited in-person convening can generate powerful results.

Lesson 9: A little bit of money isn’t necessarily a little thing.

Additional funding might have permitted the CCI to convene cluster members, undertake community economic analysis and have sufficient time to build stronger bridges to youth and the Native American community. But, all in all, the CCI was an impressive learning experience for very little money. This project demonstrates a lesson about capital: that a little grant money isn’t a little thing, especially if grantees are given considerable latitude in how the money is spent.

The clusters were energized by receiving financial support (however small), having considerable flexibility in the use of project funds and knowing that a national organization and a major funder believed in them. Large sums of money create their own set of problems, especially disputes over funding disbursements. This learning was a key outcome of the USDA Empowerment Zone/Enterprise Communities (EC) program. While the EC (funded) communities were fighting over dollars, the Champion communities (approved but not funded) put their strategic plan into action. The recommendation for policymakers, program directors and funders is to consider the benefits of small but flexible grant-making. Alongside major resource commitments, such grants can give small, rural communities a much needed boost.

[Box or Highlight to differentiate this from the lessons section?]

Recommendations for Funders and Policymakers: how to spend your next nickel

RUPRI retained Shanna Ratner, Principal of Yellow Wood Associates, as evaluation consultant to the Community Clustering Initiative. Yellow Wood is a Vermont-based consulting firm providing an array of services in rural community economic development. At the CCI's conclusion, RUPRI asked Ratner to offer her own advice to funders and policymakers. The following recommendations are informed by Yellow Wood Associates' 20 years of work with citizens groups, non-profit organizations, policy-makers, funders and entrepreneurs seeking to create new opportunities in rural America while protecting core values.

The most important resource funders and policymakers bring to the table isn't money; it's the recognition and cachet your support lends to local efforts. That's what motivated people to participate in CCI. Of course, money matters too. So, if you want your next nickel to support effective rural governance, please consider how you will structure your support to:

- *Build relationships among diverse rural people and communities.* Relationship building is key to effective governance, yet opportunities for open dialogue are limited. Policymakers and funders can do something about this challenge. Engage local elected officials with other individuals to expand their horizons, networks and knowledge. Recognize that revitalizing democracy depends on establishing closer connections between the governors and the governed. Personal bridges come before institutional bridges, whether among local governments, across political boundaries or across sectors. Support face-to-face meetings within a region, coupled with broader relationship-building among people facing similar challenges. Deploy inexpensive technologies (e.g. conference calls, online conferencing) to feed the hunger for connection among rural leaders and practitioners.
- *Reframe poverty as prosperity and include local elected leaders in the work.* Elected officials have important roles to play poverty reduction, roles that are not duplicated at the state or federal levels. But elected leaders tend to avoid issues like poverty because they feel overwhelming or intractable. Leaders respond better to building prosperity, a goal that resonates with others as well. Help elected officials recognize what they *can* do about poverty and put it in positive terms. Focusing on building prosperity is more powerful than focusing on reducing poverty. It's a goal that transcends political and sectoral boundaries for the greater good.

- *Layer program assistance to meet emerging needs.* The CCI experimented with layers of support that make sense. First, the community encourager: a local person with networks and credibility to recruit, organize and co-facilitate a group of people working toward a shared goal, right there, on the ground, all the time. Next, the regional intermediary: an organization familiar with the region, staffed by people who could co-facilitate, impart group process skills, provide content expertise and manage the money to call on as needed. Finally, the CCI staff: a national intermediary “coach” with an outsider’s perspective who can link individual efforts with one another, identify key resources, enlarge existing networks, manage conflicts and provide a sounding board for all participants on an on-going basis. Note the importance of an objective “someone” committed to the same goals who can “be there” for encouragers and intermediaries on short notice without adding an unnecessary bureaucratic burden. At a program’s inception, it’s impossible to prescribe accurately the support that people will need. Layered support is non-duplicative and effective in meeting emerging needs on a timely basis. Management and technical assistance stays close to the ground where it belongs and local and regional capacity is enhanced through coaching.
- *Keep tables open and movable.* It takes time for a diverse group of people to identify the issue they want to address. Only then is it clear *who* needs to be at the table: those who can make it happen, those who can prevent it from happening and those who will be affected if it happens (or does not). Expect groups to identify stakeholders not only at the outset, but also as they go along. Encourage shared accomplishments and give credit all around, especially as the people involved change. Help groups use geography to their benefit to engage new voices. Encourage them to go to the stakeholders they want to involve. Consider moving meetings to different places; where meetings are held matters. Meeting location affects the quantity and quality of participation and the perception of who’s important and who it’s all about.
- *Support systems that engage youth with adults and surface new ideas.* The presence of youth brings the reality of the next generation home. It changes the equation and makes things happen. Create and fund efforts that use the energy and ideas of youth to organize action. Support programs that teach adults how to productively work with youth and how to listen when youth speak. Recognize that engaging with youth means doing work differently. It means: interacting more, sitting less; having food at every meeting; acting like time matters; and doing homework and sharing it so that everyone has the same information from the start. Conventional meetings are ill-designed for surfacing new ideas and involving new people, especially youth. Small group discussions and alternative dialogues (e.g., World Café) do a much better job.

- *Recognize the power of community capacity building.* The CCI communities were selected, in part, because they participated in a leadership development or community visioning program during the past few years. The fact that all three clusters were able to agree on a direction and take concrete steps toward their goal in a 10-month period speaks to the capacity that already had been developed. Cluster members themselves credited leadership development efforts for fortifying the region's local government and civic leaders. Not all rural areas have leadership development or community visioning programs in place. As funders and policymakers recognize the tremendous value of capacity building, they can help to spread capacity-building programs to rural areas that don't yet have them.
- *Support research as an integral part of an implementation strategy.* Research isn't just for planning purposes. Once a group names its goal, the next step is to learn more about it. As the CCI clusters identified gaps in technical education and entrepreneurship, they needed to learn more about what was already going on in their area and what employers and young people wanted. Answering these questions required research. As people find or create the information required to make good decisions, they gain a more accurate understanding of the issue. They come across people who care about the same issue and want to contribute. As understanding improves, so does the possibility of successful actions with meaningful outcomes. *Do not assume that people already have the information they need to make good decisions.* Do not draw a line in the funding or policy sand between research and implementation. Research – particularly participatory action research – informs implementation, improves outcomes and builds capacity for repeated success.
- *Take this experiment to the next level.* Offer more rural regions the opportunity to participate in a CCI-type initiative and give them more time (not necessarily more money). Ten months isn't enough time to cement collaboration across sectors, sustained citizen engagement and leveraged regional resources. The next step is to run this promising experiment for at least three years. It won't cost much and the return could be incredibly rich.

Conclusion

Two years ago, the RUPRI Rural Governance Initiative set out to answer a fundamental governance question: what is the relationship between how community decisions are made and with whom and the results that are achieved in the long term? To begin, the RGI explained governance as the process of making and carrying out decisions – in this case, critical decisions that define a rural community’s social and economic future. Then, Initiative staff drew on the knowledge and experience of rural researchers and practitioners to craft eight principles of effective rural governance organized around the three themes of collaboration, citizen engagement and leveraging regional resources. Finally, the RGI led an experiment in operationalizing these governance principles in three rural, multi-community regions of the northwest.

Through this practical research and on-the-ground experimentation, the RGI confirmed that there *is* a positive relationship between rural governance – how decisions are made and with whom – and community outcomes. *At least* in the short-term, effective community decision-making through collaboration, citizen engagement and leveraging regional resources put the rural regions on the path towards improved social and economic outcomes.

Ten months of experimentation through the Community Clustering Initiative wasn’t sufficient time to witness and evaluate long-term results. But in that short time frame, *it made a difference* that cluster conversations involved multiple sectors (government, business, civic), crossed political boundaries (even if only within a single county), and engaged new voices (rural youth, Native Americans). It made a difference that decision-making was informed by experienced regional intermediaries and, for the most part, based on assets rather than problems.

It would have made even more of a difference had the clusters been able to analyze and understand their regional economy, lead a bottom-up visioning process, and establish trusting relationships among diverse people. Judging from the results achieved over 10 months, these additional elements of collaboration, citizen engagement and leveraging regional resources would have pushed the regions even further.

If there is a positive relationship between effective rural governance and improved social and economic outcomes, the first lesson learned through on-the-ground experimentation is all the more important: *unless policymakers and funders encourage and reward a different governance scenario, rural regions will stick to their established decision-making practices*. But for inducements to step out of the routine, neighboring communities will continue to compete for scarce resources, established leaders will talk

and decide among themselves, youth will be discussed but not engaged, and so on. This is the wrong path for struggling rural regions. RUPRI hopes that the stories, resources and lessons generated through the Rural Governance Initiative will spur policymakers and funders to support a different approach.

Endnotes

¹ Lacy, Donald (September 2001) *An Overview of Rural Governance Issues*. Presentation prepared for the 51st National Public Policy Education Conference, San Antonio, TX. The conference was canceled due to restricted air travel following the 9/11 attacks. Presentations are posted on the Farm Foundation Web site (www.farmfoundation.org).

² Huillet, Christian. (2004) Foreword in Lovan, Murray and Shaffer (Eds.), *Participatory Governance: Planning, Conflict Mediation and Public Decision-Making in Civil Society*. Hants, England: Ashgate.

³ Gardner, Sid (April 2004) *Literature Review: The Role of Local Government in Community Building*. Draft paper written to inform the Aspen Institute's Roundtable on Community Change's exploration of local government involvement in community building.

⁴ Lovan, Murray and Shaffer (2004).

⁵ Fluharty, Charles W. (May 2004) *Assessing the State of Rural Governance in the United States*. In The Center for the Study of Rural America, *New Governance for a New Rural Economy: Reinventing Public and Private Institutions*. Kansas City, MO: Federal Reserve Bank of Kansas City.

⁶ Light, Paul C. (1999) *The New Public Service*. Washington, DC: Brookings Institution Press.

⁷ Governor's (WV) Commission on Governing in the 21st Century. (2004) Report to Governor Bob Wise.

⁸ Mc Clung, Tim. University of Charleston, Entrepreneurship Center. Personal communication, March 9, 2005.

⁹ Gierisch, Bobby. (2004) The Minnesota Model for Rural Development. Unpublished RUPRI paper.

¹⁰A collaborative includes several different types of organizations (including private, governmental, community-based, tribal, non-profit, educational, others) that work together to provide a full range of entrepreneurship development services to a diverse customer base within a defined region.

¹¹ Deller, Steven. (November 2004) Governance Across the World. *Community Economics*. University of Wisconsin Extension.

-
- ¹² Simmons, LeAnn. (July 2004) What is Collaboration? *Community Matters*. Northwest Community Development Institute.
- ¹³ Chandler Center for Community Leadership, Oregon State University Extension and Central Oregon Community College. *Community Based Collaboration: Community Wellness Multiplied*. [Http://crs.uvm.edu/ncco/collab/wellness.html](http://crs.uvm.edu/ncco/collab/wellness.html).
- ¹⁴ Stark, Nancy. (1997) *Harvesting Hometown Jobs: the new small town guide to economic development*. National Center for Small Communities. Page 137.
- ¹⁵ This is the Rural Government Initiative's working definition of community builders.
- ¹⁶ Roundtable on Community Change. (March 2004) *Local Government and Community Building Project Overview*. Unpublished paper drawn from January 2004 meeting of a Roundtable sub-committee. Page 4.
- ¹⁷ Roundtable on Community Change Web site: www.aspeninstitute.org.
- ¹⁸ Roundtable on Community Change. Project Overview. Page 2.
- ¹⁹ Warner, Mildred. (2003) Competition, Cooperation, and Local Governance. In *Challenges for Rural America in the Twenty-First Century*. University Park, PA: Pennsylvania State University Press. Page 257.
- ²⁰ Johnson, Kirk. (July 23, 2004) How Drought Just Might Bring Water to the Navajo. *The New York Times*. Page A16. Statement by Mark Edwards, consultant to Gallup, NM.
- ²¹ Fluharty, Charles W. (May 2004) Op.cit.
- ²² Waugh, Terry. Personal communication, July 20, 2004.
- ²³ Rowley, Tom. (August 13, 2004) Entrepreneurship Means Adaptation. *Weekly Commentary*. Statement by Melanie Sabelhaus, Small Business Administration. Weekly Commentary is intended to help further the Rural Policy and Research Institute's mission to facilitate public dialogue concerning the impacts of public policy on rural people and places. The opinions expressed are solely those of the author and do not necessarily reflect the views or policy analyses of RUPRI, its collaborating organizations and institutions, or its funders.
- ²⁴ Ibid. Statement by Erik Pages, EntreWorks Consulting.
- ²⁵ Federal Reserve Bank of Kansas City. (Winter 2001) *Community Reinvestment*. Statement by Carol Meyer, Leadership Garden City program coordinator. Page 10.
- ²⁶ Flora, Cornelia Butler and Flora, Jan (2003) Social Capital. In *Challenges for Rural America in the Twenty-First Century*. Page 225.
- ²⁷ Yost, Jeffrey (March 2005) *HomeTown Competitiveness Update*. Nebraska Community Foundation News.

²⁸ Gambone, James. Intergenerational Dialogue and Action Process. Personal communication, July 27, 2006. Web site: www.pointsofviewinc.com.

²⁹ Waugh, Terry. (2004) Op.cit.

³⁰ Statement made at W.K. Kellogg Foundation's Rural Conference, Arlington, VA. October 29, 2003.

³¹ Stark, Nancy. (June 2002) *Technology and Grit at the Grassroots: information technology, community engagement, and jobs in distressed rural communities*. National Center for Small Communities. Page 38.

³² The Duke Endowment (September 2001) *The Rural Program: A New Effort by The Duke Endowment to Help Strengthen Rural Communities in North Carolina and South Carolina*. Page 4.

³³ Stark, Nancy. (1997) Op.cit. Page 13.

³⁴ DuBois, Felice. Rural Development Initiatives. Personal communication, June 10, 2004.

³⁵ For the purposes of this paper, we are grouping together all visioning approaches. However, we recognize that there are a variety of visioning techniques.

³⁶ Stark, Nancy. (1997) Op.cit. Page 15. Adapted from *Community Visioning/Strategic Planning Programs: State of the Art*, North Central Regional Center for Rural Development, 1996.

³⁷ Kretzmann, John and McKnight, John. (1993). *Building Communities From the Inside Out: A path toward finding and mobilizing a community's assets*. Evanston, IL: Institute for Policy Research.

³⁸ Barker, Joel. (1989) *Discovering the Future: the business of paradigms*.

³⁹ Stark, Nancy. (1997) Op.cit. Page 22.

⁴⁰ Ratner, Shanna. Yellow Wood Associates. Personal communication, February 28, 2005. Web site: www.YellowWood.org.

⁴¹ Porter, Michael E. (February 2004) *Competitiveness in Rural U.S. Regions: Learning and Research Agenda*. Harvard Business School, Institute for Strategy and Competitiveness. Page 63.

⁴² Johnson, Stanley. (September 2001) *Conference Synthesis*. In *The Center for the Study of Rural America, Exploring Policy Options for a New Rural America*. Kansas City, MO: Federal Reserve Bank of Kansas City.

⁴³ Porter, Michael E. Op.cit. Page 62.

⁴⁴ Planning Decisions, Inc. (September 30, 2003) *Aroostook County Economic Cluster Report*. Page 2. Aroostook County Empowerment Zone Web site: www.arostookez.org.

⁴⁵ Porter, Michael E. Op.cit.

⁴⁶ Fluharty, Charles W. (May 2004) Op.cit.

⁴⁷ Excerpted from *Innovations in Rural Governance*, 2003 Annual Report, Center for the Study of Rural America, Federal Reserve Bank of Kansas City, January 2004. Updated information provided by Joe Sertich, Northeast Minnesota Higher Education District.

⁴⁸ Sager, Mikki. Conservation Fund, North Carolina Office. Personal communication, April 8, 2005.

⁴⁹ HandMade in America Web site: www.handmadeinamerica.org.

⁵⁰ National Association of Counties (NACO), National Association of Towns and Townships (NATaT)/National Center for Small Communities (NCSC), and National League of Cities (NLC), which has a Small Cities Council.

⁵¹ Douglas, Nam. North Carolina Rural Economic Development Center. Personal communication, January 18, 2005.

⁵² Ibid.

⁵³ NC Rural Center Web site: www.ncruralcenter.org.

⁵⁴ Briggs, Xavier de Souza (May 2003) Op.cit.

⁵⁵ Flora, Cornelia Butler and Flora, Jan. (2003). Op.cit. Flora and Flora draw from the civic engagement work of Harvard University's Robert Putnam who defines social capital as the collective value of all "social networks" [who people know] and the inclinations that arise from these networks to do things for each other ["norms of reciprocity"]. For more information, visit the Saguaro Seminar Web site: www.ksg.harvard.edu/saguaro.

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ USDA Economic Research Service, *Rural America*, Vol. 16, Issue 2, September 2001.

⁵⁹ RUPRI, MDC Inc. and Texas Tech University (2004). *Invigorating Rural Economies: The Rural Development Mission of Mississippi's Community Colleges*, Executive Summary. Yet to be published paper. Page 4.

⁶⁰ Topolsky, Janet. Aspen Institute, Community Strategies Group. Personal communication, April 19, 2005.

⁶¹ Rural Development Philanthropy Web site: www.aspencsg.org/rdp.

⁶² Jaworski, Kathi. Rural Development Initiatives. Personal Communication, July 28, 2006. Web site: www.rdiinc.org.

⁶³ Yost, Jeffrey. Nebraska Community Foundation. Personal communication, July 28, 2006. Web site: www.nebcommfound.org.