



Rural Multiracial and Multicultural Committee's Rural Economic Development Policy Brief

Introduction

Rural health and the economic viability of rural communities are integrally connected.

- The ability to attract businesses into rural communities is greatly linked to a viable rural health services system.
- The economic impact of health services is significant; and, in most rural communities, health services are often one of the biggest, if not the biggest area employer.
- There is a strong correlation between economic status and health status; the research literature clearly shows that health status improves with economic status.

These points emphasize that good health of individuals and financial viability of communities are inextricably related. *The purpose of this paper is to articulate the importance of and make recommendations for leveraging health resources to strengthen rural economies—especially in communities with our nation's most disenfranchised populations: People marginalized by geography, race, culture, and language.*

Additional Facts About Rural America

1. Poverty is more prevalent in rural and frontier America than in urban America: 85% of our nation's high poverty counties – counties where more than 20% of the population lives below the poverty line – are non-metropolitan. In 2000, poverty rates were 24% higher in non- metro areas than their metropolitan counterparts. In 2002, 14.2 % of the non-metro population, or 7.5 million people, were poor compared with 11.6 % of the metro population.
2. Rural America is increasingly multicultural/multiracial, and disproportionately impoverished: According to the USDA, rural/frontier America is between 17-18% multicultural/multiracial with some regions being coined “minority majorities”. Poverty rates for non-Hispanic Blacks and American Indians and Alaska Natives (AI/AN) are more than 10 percentage points higher in non-metro areas than in metro areas. More than one out of every four non-metro Hispanics, Blacks, and AI/ANs live in poverty.
3. Technological advances of the past 10-15 years have reduced geographic barriers to economic growth: As articulated in recent books by Thomas Friedman, David Landes, and others and underscored by the shifting job market, we live and work in a global marketplace. “The advent of increasingly sophisticated high capacity communications technologies. . . have proclaimed the “death of distance” and led some to predict geography, borders, and time zones are all rapidly becoming irrelevant to the way we conduct our business and our personal lives.” (Cairncross 1997).

Public Policy Implications

Effective rural economic development policies and strategies must ensure and support sufficient infrastructure requisite for improving the lives of the most vulnerable rural populations given two critical realities of rural America.

First, rural and frontier communities are defined by their lower population density, distance to urban services, and narrower economic base with fewer industries.

Second, most rural communities do not have a critical mass of consumers to justify the costs of developing a full and appropriate array of needed services and resources—especially health care, social services, transportation, utilities, environmental services and telecommunications. This is especially true for impoverished rural communities; and studies have shown a direct correlation between impoverishment and race.

Faced with the dual challenges of low numbers and limited financial resources, strategic and effective economic development public policy for rural and frontier communities must focus on four key areas: Education, entrepreneurship, social infrastructure, and public infrastructure. Taking a comprehensive and holistic—rather than a piecemeal—approach is critical to breaking the pernicious cycle of failed rural economic development policy.

For this policy brief, it is understood that health care needs among multiracial and multicultural populations are much higher than the rest of the rural residents. Therefore, rural economic development must include all four key areas listed below to meaningfully address these historical, political, and social realities and, at the same time, improve the economic viability of the entire rural community—not just the multiracial and multicultural populations.

1. Education: Design and provide programs that meet the needs of adult learners and children of all ages from pre-school through college, including community education and USDA extension services.
2. Public Infrastructure: Ensuring the availability of and access to basic utilities such as water, electricity, and gas; affordable and accessible transportation; and the ability to access modern technology such as the internet via high speed connections.
3. Social Infrastructure: Provision of resources and programs that meet the needs of working families and single parents such as child care and adult day care, outpatient and inpatient mental health services, and other programs and resources that help rural residents achieve the degree of independence to hold a job and be able to lead a fulfilling productive life.
4. Entrepreneurship: The promotion and support of innovation in health and social services, collaborations with businesses and faith/spiritual entities and for-profit entrepreneurship.

A Blueprint for Success in Rural Economic Development

Rural economic development is not a new idea. Various strategies have been proposed and implemented at local, tribal, state, and regional levels. For the most part, however, they have had limited and short-lived degrees of success primarily because of their focus on strengthening the viability of the health care delivery model through efforts that increase health care personnel and adding more medical technology. While such efforts are necessary and helpful, they do not address the root causes of higher morbidity and mortality among multiracial and multicultural rural populations.

Even though public policy aimed at improving the health status of rural communities and their residents—especially among multiracial and multicultural populations—have been less than successful, the development of future rural economic development policies must look vigorously for successful models. Even if such models show success, policy makers must carefully draw conclusions and ensure the provision of requisite conditions that can be used to replicate those successes.

Recommendations

1. The White House should create an Office of Rural Policy. It should have linkages to offices in each federal department (within HRSA for HHS) and explicitly organized according to the four pillars requisite for economic development: Education, entrepreneurship, social infrastructure, and public infrastructure.
2. Education: Where possible and appropriate, federally funded health workforce development programs that are culturally and linguistically competent with stated goals of encouraging marginalized populations into health careers should be expanded and receive greater resources. Specific examples include Area Health Education Centers (AHEC), HCOP (both Title VII), and Nursing Workforce Diversity (Title VIII), National Health Service Corps.

3. Public Infrastructure: In providing technology to benefit rural residents, federal funding for health information technology and broadband capacity intended to benefit rural areas should include requirements for hiring local rural people—particularly from multicultural and multiracial populations—and facilitate the strengthening of community and tribal colleges and other infrastructure in micropolitan communities towards creation of their cyber industry. *It is critical that public infrastructure be driven and assessed by the local stakeholders.*
4. Social Infrastructure: Social Infrastructure: Develop and support culturally and linguistically competent health and social services in the community through competitive grants focused on job creation among multicultural and multiracial populations. The identification and replication of successful examples of social entrepreneurship could include community health centers, rural health clinics, federally qualified health centers, migrant health clinics, and tribal health services. Efforts in this arena must address the provision of mental health and behavioral health needs through residential programs, case management, and violence prevention services; and job training that applies successful principles of cultural and linguistic competency, health literacy, and adult learning.
5. Entrepreneurship: Synergies that already exist between health facilities, their financial partners, and other community entities can be tapped to facilitate entrepreneurship. Funding opportunities should be targeted to build on the health services sector's local capacity and leveraged for the development of new industries.
6. Research: The Federal government should support the documentation and research of linkages between rural health and economic development. The Office of Rural Health Policy at HRSA would be an appropriate location for this program.

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Appendix 1

Review of Models and Literature on Rural Economic Development:

A Historical Perspective

In a cursory retrospective review of this nation's social and economic policies in general as they pertain to multiracial and multicultural populations is that such programs and policies are often disjointed and one-dimensional efforts that do not take into account the myriad social, economic, and political realities of a nation that has never come to terms with its racist policies and practices. Consequently, the desired outcomes are not achieved: rural multiracial and multicultural populations continue to languish in poverty, suffer bad health, and experience persistent health disparities.

One example of what can be considered an ill conceived, but well-intentioned federal program called the Freedman's Bureau—a type of rural economic development policy addressing multiracial populations.

The Freedman's Bureau was a federal program created as part of the Reconstruction period following the Civil War that gave freed Black slaves access to land and some start-up money. Well intentioned as this program might have been, the history of slavery and the nation's prevailing racist attitude toward former slaves were so ingrained into law and such an integral part of personal attitudes that the program ultimately failed to achieve its ends. Specifically, the Freedman's Bureau failed to provide social supports that taught these recently freed men and women how to read and write; how to navigate the world of business in which mostly white business men systematically stole their land and property; and how to even farm the land so as to sustain their need for food.

Even when groups of Blacks and multicultural populations managed to become economically successful and self-sustaining such as those communities in Oklahoma and Florida during the latter part of the 19th century, state and federal laws did not afford such communities the same protections under the law as was given to whites. Again, racist attitudes, written law at the state and federal levels, and prevailing standards of conduct and business practices gave no recognition to the rights and dignities of people of color.

In fact, the enmity and anger aroused within the white communities in Oklahoma and Florida against the economic success of these self-sustaining and financially viable communities of color led to riots, wholesale slaughter, and destruction of these economically successful black communities.

Some federal and state economic development policies have unintended consequences that harm and negatively impact multiracial and multicultural communities. For example, the forced relocation of virtually all of the American Indians

from their historical territories. As recently as the last century, American Indian children were forced from their parents and homes into boarding schools, where they were not allowed to speak non-english, have long hair, or practice their traditional customs.

Motivated by the need for more land capable of accommodating this nation's growing population, the federal government and states such as Georgia and Alabama forced indigenous populations from their long-held ancestral lands where multiple generations of their people had thrived to barren and inhospitable lands that were not only strange and unfamiliar, but incapable of sustaining even the most technologically advanced populations. After acquiring this land, the state and federal governments permitted settlers to lay claim to all of the stolen land. The result of this economic development policy was the creation of reservations in the West and Southwest that destroyed AI/AN cultures, customs, livelihood, and their way of life.

De-spirited, devastated, and made destitute, the AI/ANs suffered not only indignities, but suffered physical and mental health illnesses that continue to reverberate through their communities today.

When social programs and policies are crafted to address the needs of marginalized populations, such policies, in most cases, do not allocate sufficient money and resources and, more importantly, are incapable of addressing the root causes that perpetuate such miserable conditions.

More often than not, rural economic development policies and programs get created at local, state, regional, and federal levels, to address the following rural trends and deficiencies.

- Declining employment in primary economic sectors
- High unemployment
- No jobs for young workers
- Aging of the population
- Total population loss
- Closures of local businesses
- Declining per capita incomes relative to urban areas
- Inadequate education systems
- Deficient supply of health care providers and resources
- High rates of poverty

Such trends are observed in the general population—not among the multiracial and multicultural communities. Problems observed in such communities lead policy makers to offer funds, grants, and resources to address the symptoms—not the root causes—of poverty and racism. The reasons for treating the symptoms is that most policy makers tend to view problems and issues among the impacted populations in isolation from the larger social and political dynamics of this nation. Subsequently, the remedies are often crafted in the same way.

It is, therefore, no surprise, that health care issues within rural communities are viewed in the same way and, more often than not, fail entirely to address the health care needs of multiracial and multicultural populations in those rural communities.

Appendix 2

Critical “Lessons Learned” in Promoting Rural Economic Development

Looking at past rural economic development efforts that have led to less than stellar results—especially within multiracial and multicultural communities, it is necessary to start with a broad and comprehensive understanding of what future rural economic development programs and policies must address.

- Address the nation's social, racial, and political attitudes: Not only do most rural economic development programs tend to focus on one sector such as timber or farming and not the entire economic region with all of the various

sectors within that region, but they do not address long-standing prejudices and racism that limit access to economic success and perpetuate poverty and destitution among multiracial and multicultural populations. Without money and without access to programs and resources in rural and isolated communities, multiracial and multicultural populations in rural communities suffer worse health status and health outcomes.

- People are left out: Rural economic development programs and policies often get formulated without effectively engaging the entire community and without taking into account long-held beliefs, practices, and attitudes that determine behaviors related to health and wellness. Without meaningful engagement of the people that will be most directly affected by the intended economic development programs and policies, failure is almost certain.

For example, the state of Maine tried to reverse the decline in its timber industry. By allocating public funds to recruit, train, and employ young people for the timber industry, the state sought to take advantage of its abundant natural resource. Unfortunately, there was little interest among the young—men in particular—to lead the harsh and isolating lifestyle of the modern day lumber jacks. In effect, Maine's efforts were a failure because the policy advocates did not consider the preferences and attitudes of the young people who wanted a different lifestyle.

- Top down rather than bottom up: Whether it is the federal or the state government, a top-down approach to rural economic development that excludes dialogue across the entire spectrum of regional, state, and local entities leads to failed programs and policies. Because not-for profit agencies and organizations are more often than not struggling for survival, well-intentioned policy makers coming from 'outside' of the community fail to recognize the competitive barriers that prevent cooperation.

For example, a New York state commission recommended the closure of some small rural hospitals, the merger between a larger ex-urban hospital with a small rural facility, or their conversion into emergency clinics. Elegant and rational as those recommendations were, the commission failed to consider the fierce determination of those affected communities to retain a full-service hospital within each community; and the critical role that such full-service facilities played in recruiting not only badly needed health care providers, but the community's ability to attract new businesses.

Just as strong schools are vital to attracting new businesses and new professionals into a rural community, so too is the need for vigorous and fully viable health care systems.

- Technological innovation and global competition: Regardless of racial and demographic composition and whether a community is urban or rural, we must acknowledge how pressures of technological change, global competition, maturity of products, and structural changes in the economy—both national and international—are extremely powerful forces that shape both urban and rural economies. These are not forces necessarily controlled or easily mitigated by public policies, but they MUST be addressed if meaningful changes are to occur through rural economic development programs and policies.

For example, the fishing and shrimping industry around Mobile, AL, used to be the epicenter of this commercial field. In the 1990s, however, international competition from countries such as Japan and Russia launched to sea huge floating factories that caught, processed, and packaged vast quantities of shrimp, fish, and other seafood right on the ships. These floating factories left port with their holds empty and returned with seafood ready for shipment.

So, despite the long-standing tradition of being the shrimp and seafood capital of the nation, it would be futile economic development policy to pour more money and resources into that community without some other innovation that would crush this international competition. In summary, pushing for the allocation of resources and the creation of economic policies that ignore global competition and technological innovations only commits such an enterprise to failure.

Another reality is that regions and communities that rely on just one industry or commercial sector is poised for failure as market forces and technological innovations roil that particular sector. As a case in point is the automotive industry.

In regions such as the Midwest or in states such as Michigan, the automotive industry—the production of the actual vehicles and the automotive parts supplier sector—was the overwhelmingly dominant industry. As global competition increased, as technological innovations developed, and as changing consumer demands were made manifest, the state of Michigan suffered huge loss of jobs and, subsequently, had huge and detrimental ripple effects on the health of its residents. Again, the statistics indicate that the poor and multiracial communities were disproportionately harmed by these economic downturns.

In some rural communities, they have become dependent on a single sector such as gaming and the prison system. Even though many tribes throughout the country have established gambling enterprises, there has been a false impression of how successful those operations are. In fact, less than one percent of tribal gaming enterprises turn a substantial profit. However, all contribute directly to their respective communities, through employment, infrastructure support, and health and social service programs to alleviate the substantial depressed economic environment.

The development of prisons has led to job creation and positive economic impacts. At the same time, this dependence on this type of economic development has had negative consequences, including greater demand for social services infrastructure.

One of the key lessons of this experience is that regions must diversify their economic base and not be solely dependent on a single industry or sector of the economy.

- Unintended consequences: Another reality for the nation in general and for rural communities is the impact of national or regional policies that have unintended negative consequence for rural communities. Take for example, immigration reforms.

In the aftermath of the attacks on the Twin Towers in New York City, this nation enacted more strict immigration reforms as a way of filtering out of this country criminals and terrorists that might harm our citizens.

One of the unintended consequences is that nurses and physicians from countries outside of the U.S. were made to wait longer for work permits and visas to enter the country; and those that were already here working in underserved urban and rural communities were forced to leave under the more stringent rules pertaining to foreign workers in the U.S.

For vastly underserved rural and urban communities, this drastic reduction in the flow of foreign born and foreign trained health care workers entering the nation had devastating impacts.

In the agricultural sector, the impacts were equally disastrous.

The anti-immigration fervor sweeping this nation led to state and federal policies and practices that, in turn, led to wholesale deportations and to effectively stopping the seasonal immigration of farm workers from Mexico to many regions of this nation's agricultural centers: Orchards in the Midwest; produce farms in California; orchards in the Northwest and Florida; and grain fields in the plains states.

The lack of workers at harvest time had huge negative impacts on local economies as farm produce and this nation's agricultural crops were not harvested and spoiled.

Before these anti-immigration policies went into effect, those organizations and agencies working to improve the working conditions on behalf of migrant workers and advocating for resources necessary to meet the plethora of health care needs in this population were already challenged. After the implementation of these anti-immigration policies, however, these same agencies and organizations had to now take on state and federal actions that became over-zealous in enforcing the new immigration laws and policies directed toward undocumented workers. Such over-zealousness had a chilling effect on migrant workers who were legally here in this nation.

In essence, successful rural economic development policies will not only require that unintended consequences be contemplated and addressed, but they will also require implementation of multiple strategies tailored to and inclusive of particular regional circumstances such as community capacity, racial and ethnic make-up, availability of natural resources, and proximity to urban areas.

What is abundantly clear is successful rural economic policies and programs—if they are to truly impact all populations, but particularly the multiracial and multicultural ones—need to articulate a unified rural economic development policy that is coordinated by a core group of regional organizations and agencies that is willing and able to fully commit to improving the lives of all populations—especially the multiracial and multicultural ones given the disproportionate impact and suffering on such populations.

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