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Comprehensive Planning for Sustainable Rural Development

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Concern among state legislators about rural development and rural land use is not new. In many states, agriculture remains an important feature of the economic, cultural, and political landscape. As rural incomes, populations, and prosperity have declined, states have adopted a variety of policies in response. Rural land and development policies in most states, however, are often more symbolic than influential, poorly integrated, and grossly misguided (Audirac, 1997). For rural areas, very few states mandate or facilitate rural comprehensive planning, often due to opposition from rural legislators. Farmlands (cropland and grazing land) constitute the largest share of land use by acreage in the country and have an even higher share in the rural areas (USDA, 2000). Although a relatively smaller and decreasing part of the overall economy, farmland uses employ 21 percent of the nation's workforce (including processing, wholesale and retail trade of farming goods) and about 7 percent of nation's workforce in production (2002 numbers). Therefore, focusing planning on urban land use alone is unfortunate, because rural areas, perhaps even more than their urban counterparts, have much to gain from comprehensive planning.

In today's decentralized economy, urban and rural economies are no longer dichotomous. Metropolitan regions are growing faster in land area than in their population and put immense pressure on exurban, mostly rural land for development (Diamond et. al. 1996). At the same time, remote rural areas face population loss due to more efficient, mechanized tools of farming and continued growth in urban areas as a result of agglomeration economies. Spatial variations in regional land use patterns are becoming more continuous. However, this article uses a broader urban-rural distinction characterized by different land uses and discusses policy alternatives for states to achieve a more sustainable approach to land use. We also discuss the basic economic rationale for more focused land use policy in rural areas.

The existing array of state programs that address rural land use and development is long and varied. Popular programs include tax relief (such as farm tax assessment programs), agricultural districts, right-to-farm laws, agricultural zoning, purchase and transfer of development rights, small town economic development programs, and urban growth management. In general, these programs have three primary objectives: farmland preservation, urban growth containment, and small town economic development. While each of these various programs has its technical merits, the objectives of each are also based on significant fallacies regarding conservation versus preservation, the threat of urban growth, and the most effective approaches to economic development.

Farmland Should be Conserved, Not Preserved

Though farmland conservation and preservation are often used interchangeably, there is a subtle distinction. To preserve means to maintain in a given state; to conserve is to use parsimoniously. For several reasons, the latter is a better foundation for farmland policy. First, there is no compelling evidence of farmland shortage. Commodity prices are low and falling and farmland values are doing the same. The causes of these trends are obvious: food constitutes a falling share of rising incomes and farmland productivity continues to rise (Browne et. al., 1992). These trends suggest a need for less, not more, farmland. Second, the opportunity cost of farmland is high. Market signals suggest that farmland has considerably higher value in urban use, if such were demanded.

The conservation argument is based on two caveats to the economic rationale. There are good reasons

to believe that land price signals are distorted. Land may be overvalued in urban use because the federal government subsidizes home ownership and highway construction, while local governments under price urban infrastructure and provide tax concessions for commercial and industrial development (Knaap et. al. 2000). Additionally, these distortions in relative prices between farm and urban land are small compared to the distortions in relative prices between farmland and other competing uses that are either hard to quantify or provide little incentive to private uses. Farmland, for example, is the greatest consumer of wetlands that provide invaluable environmental services yet command almost nothing in the marketplace. Farmland also consumes vast acres of forests, prairies, floodplains, and other natural habitats that provide important environmental services but little return to land owners (Feather et. al.). Further, farmlands generate positive externalities such as scenic views, biodiversity, cultural heritage and diversified local economies that are harder to quantify. Rising farmland productivity and opportunity costs suggests that we should preserve the option to farm while at the same time encouraging land owners to provide environmental services. Programs like the U.S. Department of Agriculture's Conservation Reserve Program (CRP) compensate farmers for providing environmental services. Similar programs could be created for providing habitats, carbon sequestrations and scenic open spaces. There is no need to tie such programs directly to farming.

Finally, many farmland preservation programs focus almost exclusively on the urban fringe and thus have damaging perverse effects. Programs that transfer development rights, for example, often preserve small scattered parcels in the urban fringe. These parcels provide urban residents with open space, but because of their size and proximity to urban uses, have limited potential for agricultural use. Exclusive farm use zoning regulations typically prevent subdivision below a minimum lot size. In the urban fringe, this practice often results in urban residents consuming even more land for farmettes.

Urban Development is Not the Greatest Threat to Rural Well Being

Though stories about farmland depletion appear daily in the popular press, the threat to rural health of urban growth is greatly exaggerated. Urban uses constitute around 5 percent of all land in the United States. In Illinois, for example, between 1970 and 1990 the Chicago metropolitan area grew only 4 percent in population while its land area increased 46 percent (Diamond et. al. 1996). Similarly disparate rates of growth occurred in Rockford, Peoria, Champaign-Urbana, Bloomington-Normal, and Springfield. Over this same period, acres in corn and soybeans--the state's dominant agricultural products--grew slightly while productivity grew rapidly. In short, despite the rapid urban expansion, the capacity to produce agricultural products has risen, not declined.

Many factors threaten rural well being more than urban growth. The relative decline of farm prices, for example, has eroded farm profitability and lead to bankruptcy. Soil erosion degrades soil productivity and escalates the need for chemical additives. Nutrient and pesticide runoff degrades waterways and groundwater aquifers. Declining rural populations has closed rural schools, hospitals, and other public facilities. In short, eroding farm profitability, soil erosion, environmental degradation, and loss of public services represent far greater threats to rural health than urban growth.

Rural Sustainability and Revitalization Require a Comprehensive Approach

Comprehensive plans have become common for urban areas because urban development is complex, development decisions are interrelated, and the development process could be improved through careful analysis, foresight, and planning. These conditions now hold in rural areas, too. Successful rural development requires that agricultural infrastructure and property markets facilitate farming at its most efficient scale; that safeguards are in place to protect the integrity of environmental systems; and that critical education, health care, and other social services remain fiscally viable. Equally important is system interdependence. Large scale farms, for example, pose greater threats to environmental systems, require more non-resident, high skilled labor, and place greater demands on social service and health care systems.

Rural communities perhaps do not control their own destinies, but states can do much to enable communities to help themselves. Almost every state is developing powerful geographic information systems with broad geographical and physical coverage. Such systems now enable rural communities to display land use at the county level, understand critical hydrological and geological systems, analyze trends in population and trade flows, and identify opportunities for new infrastructure, tourist-related development, or environmental investments (Herrmann, et. al., 1999; Metthews et. al. 1999). Such growing technological

capacity has vastly increased the potential impact of rural comprehensive plans.

Summary

States now have an unprecedented opportunity to help rural communities help themselves by providing rural communities with data and technology, offering technical assistance, and encouraging them to develop comprehensive plans. The process starts with the recognition that rural comprehensive planning need not simply imply containing urban growth, preserving unprofitable farming activity, or economic development in isolated small towns.

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