

EMPOWERING RURAL AMERICA: THE CALL TO A NEW ADVENTURE

By

**Ambassador James A. Joseph
Professor of the Practice of Public Policy Studies
Terry Sanford Institute for Public Policy
Duke University**

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When I served as an American Ambassador, I started each public statement by saying “I am pleased to bring you greetings from the President of the United States and the almost 300 million Americans I represent.” Today, I am pleased to bring you greetings from my wife and myself. Actually, as Chair of the Board of Directors of MDC, I am pleased to bring you greetings and best wishes from the organization that provided staff support for the Center for the first five years after its founding in 1987. We all take great pride in the development of the North Carolina Rural Center and congratulate you on the great work you do.

Two Rural Americas

Let me begin with a word about why I have been engaged with issues of concern to rural America. First of all, I was born in rural America at a time when the rural countryside was still romanticized by poets and celebrated by novelists. I grew up in a small community in Southwestern Louisiana where large oak and pecan trees mixed with open grasslands, rabbits and magnolias to give the region its unique essence. Some of my memories are romantic – vivid images of moss-covered oak trees, the almost mystic influences of Creole cultures and the lure of Cajun cooking. We were the original rainbow people. All of us, despite our differences in color and status, reflected in some way the fusion of cultures that the citizens of my home town now call a cultural gumbo.

My other memories are less romantic and less mystical. I remember the experience of picking cotton in hot dusty fields, digging sweet potatoes from sunup to sundown and walking miles past the white school to get to the colored school at the end of unpaved and rarely traveled roads. This was the other rural America.

Much has changed since then, but one thing remains the same. There are still two rural Americas; the rural America of our romantic dreams and the rural America where rural increasingly means people who are poor and institutions that are nearing obsolescence. There is the rural America that is badly in need of reinvestment and nurture and there is the rural America that is poised and well-positioned to protect our natural resources, provide for our recreation and promote the quality of life to which all Americans aspire. There is the rural America whose leadership pool is very small and suffers from isolation, but there is also the rural America whose leadership potential includes not just those who stayed at home but also those who are returning to rural areas as a matter of positive choice. To those who say, the present predicament of rural communities sounds bleak, I say it is. To those who say it sounds hard, I say it is. But to those who say it is impossible, I say it is not.

What needs to change?

My commitment to the issues of rural America can also be found in my tenure as President of the Council on Foundations and later when I served as a spokesperson and strong advocate for the rural caucus among foundations. It was during this period that I began to ask “What needs to change.” And that is the first question I want to address tonight, “What is it that rural communities need in order to promote innovation and foster the kind of research that will help spotlight what needs to be done to exercise some control over the changes that are taking place.” First of all, empowering rural America will require resources. One in four Americans live in rural communities and most of the land we cherish and want to conserve for posterity are in rural areas, but these communities are receiving less attention and fewer resources. As the global economy changes, rural economies are crumbling: factories are leaving; farm income is declining; people are making less money; local governments are having to bear an increasing share of the burden at a time when they are taking in less money. For a long time, rural communities were considered politically and economically influential in attracting resources because agricultural policy was considered rural policy and the influence of agricultural pressure groups was considered rural influence; but all this has changed. Americans living, owning or working on farms now constitute a very small percentage of the rural population.

Empowering rural America will require not just changing the rural economy but changing the rural culture as well. Karl Stauber writes about Danville, Virginia, for example, as having three cultures:

- A culture of subsistence with a few young people escaping each generation through hard work and educational opportunity;
- A culture of survival where lots of families have been pushed from subsistence to struggling to survive;
- A culture of prosperity with many pleasure seekers and others who have returned to rural areas in order to be disengaged from rather than engaged with their communities.

It is not only the concept of rural that is changing. It is also the context. As the economy changes, more and more people in more and more rural places are being left behind – with limited skills and limited opportunity. They are unemployed, that is they are unable to find jobs, and they are underemployed, that is their new job is unable to replace the old job; or to make matters worse they are facing long commutes. Of course, there are also the demographic changes that have introduced new cultures and new traditions to rural communities.

Empowering rural communities will require a paradigm shift in the way many policymakers and opinion leaders at various levels view policy development having to do with rural America:

- Rural policy is still viewed by far too many as agricultural policy;
- Rural policy is often simply urban policy modified;
- Rural policy at the national level is often policy with little regard for the diversity of rural communities.

Empowering rural America will need also to focus on leadership. As the economy changes, not enough people are engaged in finding out what to do next. Too few people are trying to do much of the work and too many people are still not allowed or do not feel enough a part of the community to participate in community life. There has been much attention given to the rural brain drain, but not enough to the brain gain, the many well-credentialed, very qualified and very experienced people who have returned to rural areas for recreation, retirement, romantic attachments or quality of life reasons. We need to find ways to engage them with their neighbors and the needs of our rural communities.

What Change Might Look Like

Let me now shift gears and say a word about what change might look like. The rural communities we build in the future will need to do three things. First of all, they will need to be smarter. For too long, rural communities have been selling themselves cheap. They have had cheap land; cheap labor; cheap taxes. This doesn't work anymore. One of MDC's *State of the South* report put it this way: "People in the South for too long have seen their careers based on their ability to do specific things: make things, drive things, dig things, lift things or pick things. The economy, meanwhile, is rewarding those who – regardless of race, gender or ethnicity – have the ability to think things. I urge you, therefore, as you think about innovation, to imagine rural communities as a place where people come because of what they can do; not because of how cheap they are.

Rural communities must not only be smarter, they must be more strategic. For too long, doing economic development has been like hunting buffaloes, looking for one huge company that will feed a village for years. There aren't many buffaloes anymore. This was a shotgun approach to development. Meanwhile, in many places about 80% of new jobs are created by existing companies within communities. I urge you to imagine rural communities as one place that has developed a competitive advantage over other places, and that recruit companies with a rifle, not a shotgun.

The rural communities of the future must not only be smarter and more strategic. They must be more inclusive. For too long, too many people in our communities have been told to sit on the sidelines, that other people will make the decisions for them. We have left as much as 80% of the brains in our communities on the sidelines – at the very time when we need more thinking and more smart thinking than ever. I urge you, as you think about innovation, to imagine a community where the community – the whole community – sees itself as having a right and a responsibility to help shape the future.

Many Americans, and not just rural Americans, but those living in metropolitan and micropolitan areas as well, have sort to homogenize differences to fit their comfort zone. We need a new concept of community based on the oft repeated statement of the black mystic, poet and theologian Howard Thurman who was fond of saying "I want to be me without making it difficult for you to be you." Can you imagine how different our world would be if more Americans were able to say I want to be an American without making it difficult for Africans to be Africans, Asians to be Asians and Arabs to be Arabs? Can you imagine how different our communities would be if more Christians were able to say I want to be a Christian without making it difficult for a Jew to be a Jew, a Muslim to be a Muslim or a Buddhists to be a Buddhists? Can you imagine how different rural communities would be if pleasure seekers, those returning to the community and those who stayed, could find common ground and work together to provide new leadership, fight for new policies and develop new initiatives to make rural communities desirable not just for one group but for all.

What Can We do Together

I now come to my third and final question: what can, what must, we do together to empower rural Americans to take charge of their own destiny. First of all, we can no longer ask what we can do for them or about them. The new question is what we can do together. It is not enough to be advocates who speak and act in behalf of rural America, we must empower rural Americans to speak and act for themselves. That too would be innovation.

One of the most striking and fundamental lessons coming from around the world is that when we empower people to be active participants in the programs designed for their own advancement, we have not only new ideas and wider ownership of strategies, but increased effectiveness as well.

Those of us who engage in a kind of assisted self-reliance will need to help enlist the support and collaboration of all three sectors of our democracy. Peter Drucker called this form of collaboration a fourth sector. We will also need support from urban areas and urban lawmakers. If urban representatives don't understand why rural Carolina matters, policy changes will be

unlikely. Urban colleagues are natural allies, but many do not understand why and how empowering rural America is in their self interest. While the two areas face vastly different challenges, they are both watching a large amount of resources flow into suburban areas. So I hope you will remind urban colleagues that support for a rural area does not mean abandoning urban areas. It is simply to recognize the urban/rural connection. The urban/rural dichotomy is false. Many places are new micropolitan areas rather than rural or urban. They connect the two together in ways that make it difficult to think of policy and especially development without attention to all three.

And that is why a third innovation that needs to happen with some immediacy is the formation of new alliances. Rural areas will need to work together with nearby counties; and while I know that this is hard to do – transcending the many rivalries - the alternative is to try to go it alone and that is not very smart, nor is it likely to be effective. In an economy that rewards size, a small rural community, working in isolation, has limited chances of success.

This is, thus, a good time for building a culture of collaboration that engages grass-roots energies, private and public donors and all those who understand that what we can learn is magnified by our efforts to learn together and what we can do is multiplied by the impact of our working together. Through working with others, we can develop a common vision and build a larger capacity. But equally important, we can engage Americans more broadly in matching rural romance with rural reality.

I want to say a word also about the opportunity for innovation by private donors. I like to think of organized philanthropy as the source of at least five forms of assets, 1) conventional, capital; 2) social capital; 3) intellectual capital; 4) moral capital; and 5) reputational capital.

Foundations need to think in a new way about empowering rural communities through the use of each of these assets, beginning with **conventional capital**. We tend to see ourselves as grantmakers. I wonder how much our impact would increase if we started to see ourselves as the Heron Foundation does as harnessing all of our financial power to achieve our mission. With over \$500 billion of assets, philanthropy in the U.S has greater power, opportunity and responsibility than implicit in the 5% of the asset we spend in grantmaking. The question for leaders of the future is “Should a private foundation be more than a private investment company that uses some of its excess cash flow for charitable purposes.” At Heron where I serve as a trustee, we have decided that we should put the weight of our financial resources to work in service to our mission, and we have done so while continuing to grow our assets for use in perpetuity.

The second set of strategies for empowering rural communities has to do with **social capital**. Robert Putnam has popularized the concept and used it to refer to the idea of networks, norms, social trust and voluntary cooperation for mutual benefit. But Putnam, like Alexis deTocqueville and Robert Bellah before him, has not sought to apply the concept to foundations.

Communities throughout the United States have been experiencing a population shift that has brought new neighbors who are fueling the economy and a new middle class of color that provides the potential for a new, but stronger, civic culture. While there is a tendency to think of these groups only in relation to the demand side of philanthropy, many are now in a position to contribute to the supply side. But before we can fully engage them in a common effort to build philanthropy, they must be made to feel that they belong, that their traditions are respected and their contributions recognized.

The point I am making is that while the benevolent traditions of the new groups are deep and enduring, many of the newcomers have a limited knowledge of the

techniques of organized giving in perpetuity. The whole of the community can benefit from targeted efforts both to activate the latent charitable impulse and to provide information on the many incentives and options for organized giving.

Empowering rural communities can also be done through the use of a foundation's **intellectual capital**. They have access to information, ideas and practices that can help shape community discourse and help strengthen community development. Many of the nonprofits we fund are engaged passionately in public life, but like Thoreau at Walden Pond, many build castles in the sky and then set out to put foundations under them (No pun intended). Foundations can help them to ground their passion into persuasive evidence by providing not just money but knowledge, data and useful information.

Another asset that is often under utilized by foundations has to do with what Robert Putnam call **reputational capital**. This is often one of the most overlooked contributions that foundations can make. Like conventional capital for conventional grantmaking, foundations can use their social capital as a kind of collateral for those whose formal credentials and written proposals under state their potential and reliability. A grant is a good housekeeping seal of approval that says to other potential funders and the larger community that the foundation has done due diligence and find this organization credible, accountable and effective.

The final asset is, of course, **moral capital**. It is the knowledge that when neighbors help neighbors and even when strangers help strangers, both those who help and those who are helped are transformed.

Finally, one can not talk about rural communities without taking note of the anxieties that are disturbing all Americans. The dominant mood of our time is what psychologists now call a "free-floating anxiety." The immediate aftermath of 9/11 was such a moment. For those who were around in the sixties, the period following the assassination of President Kennedy, Martin Luther King and Bobby Kennedy was such a moment. Americans and indeed people around the world are feeling that sort of anxiety again. It is not the result of an event, but a confluence of events. Some feel a deep level of concern about the volatility of the stock market and the mortgage melt down. For others, the anxiety may come from the high price of fuel, the almost daily announcements that medicines we thought were safe are not, the disconnect between work and reward, and the hurricanes of the last few years that reminds us that disasters are no longer an aberration or an abnormal event, but they are in fact the new normal. We have reached the point where anxiety feeds on anxiety and we become anxious about the fact that we are anxious. Yet, deep within we want to believe that this too shall pass away, that we can look beyond the evidence and see alternative possibilities. This is a moment when those concerned about innovation and research need to ask how we can provide hope as well as well as help.

Hope is not optimism based on what you see. Hope allows us to see beyond what is and to imagine what can and what ought to be. It is not so much an act of memory as it is an act of imagination and courage. It is an acknowledgement that what you can imagine you can probably create. There is something both unique and irresistible about the capacity to transcend history, to see reality and still be able to look beyond to see something different and deeper.

Some observers of the human condition adopt the role of the spectator who surveys the evidence in order to infer that things are going to get better. The kind of research and innovation emphasized and represented by the North Carolina Rural Center, on the other hand, is that of the participant who actively struggles against the prevailing evidence in order to find new evidence of how to make things better. The Rural Center, therefore, is a purveyor of hope as well as help; and as Vaclav Havel is fond of saying "The gift of hope is as big a gift as the gift of life itself." It is thus my sincere wish that when this dinner is over and this conference has ended, the leadership

of the Rural Center and all who support it will remember that you are purveyors of hope as well as help, and the gift of hope is as big a gift as the gift of life itself.

(Ambassador James A. Joseph is a Professor and Director of the United States – Southern Africa Center for Leadership and Public Values at Duke University. He was Under Secretary of the Interior under President Carter and Ambassador to South Africa under President Clinton. He also spent fourteen years as President and Chief Executive Officer of the Council on Foundations)