

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



*The quest for effective governance—particularly at the local and regional levels—is one of the many challenges facing rural America. Happily, effective governance is also 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.*

*In early 2004, the Rural Policy Research Institute (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. (Among other organizations, the Michigan Townships Association contributed information and resources for the venture.)*

*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 the RUPRI paper “Eight Principles For Effective Rural Governance...And How Communities Put Them Into Practice.” The following is an excerpt of that paper.*

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 policy-makers in understandable and actionable terms.

### EXACTLY WHAT IS EFFECTIVE GOVERNANCE?

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.<sup>1</sup>

*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.<sup>2</sup>

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).
- *Sustained citizen engagement* (welcoming new voices including youth, grassroots visioning).
- *Leveraging regional resources* (capitalizing on competitive advantages, strengthening elected leaders, engaging intermediaries and investing local capital).

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.

## 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 policy-makers?

Drawing on its practical research, RUPRI offers the following key principles of effective governance. The eight principles are grouped under three major themes outlined above. RUPRI trusts that guidance on effective governance will lead to stronger rural development practices and smarter policies.

### Collaboration

#### 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.<sup>3</sup> In the language of partnering arrangements, collaboration is the high-



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est and most difficult level of working with others—more formal than networking, cooperation and coordination.<sup>4</sup> 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. 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.<sup>5</sup>

#### Principle 2: Collaboration across political boundaries

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 local governments. 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 cutbacks 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 com- ►

munities can save money. Economies of scale also exist in many back-office services, such as dispatching and payroll.<sup>6</sup>

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.

### Sustained Citizen Engagement

#### Principle 3: Welcoming new voices

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. 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 a town's dominant Caucasian leadership as an unwelcome mat.

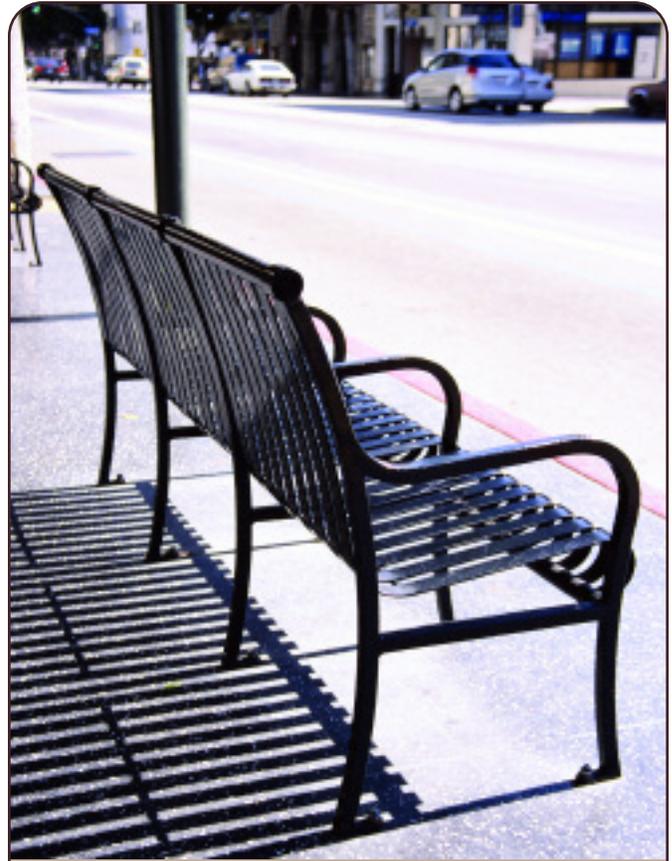
New voices may be artisans, musicians, preschool teachers and unconventional thinkers who see economic and social issues through a different lens. New voices may be women who assist with school or church fundraisers, but do not (yet) envision themselves as leadership material.

New voices may come from rural America's tremendous growth in immigrant, especially Hispanic, populations.

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? 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.

#### Principle 4: Visioning a different future

Thriving communities do visioning from the bottom up. Regrettably, most communities do exactly the opposite—they plan



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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.<sup>7</sup> 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 spark-plugs, the champions or the city fathers. Visioning begins *not* with a committee of key decision-makers but with everyday people.

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.

All visioning should do three things. First, visioning should turn traditional strategic planning on its head. 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.

Second, visioning should embrace asset-based thinking.<sup>8</sup> 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. 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 Is, cross all the Ts 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.<sup>9</sup> 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.<sup>10</sup>

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

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

**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 Endowment

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.<sup>11</sup> This fundamental ingredient of governance can be accomplished without surrendering a community's individual identity.

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. 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.

### 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, ►



## 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), boardmanship 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 on MTA's Web site at [www.michigantownships.org/TGA.asp](http://www.michigantownships.org/TGA.asp).

land use issues, and relationships with the media, to name only a few arenas. The majority of small, rural communities cannot afford a professional 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. 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, schoolteachers, 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.

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. Because the health of rural communities is linked to an effective governing system, however, it is increasingly important for rural officials to acquire these higher-level competences.

*Editor's Note: See the sidebar article at left for information on MTA's Township Governance Academy, a leadership program geared specifically to Michigan township officials striving to achieve greater governance skills to lead their communities.*

Principle 7: Engaging key intermediaries

One of the crucial differences between stagnating and flourishing rural regions is the existence of engaged 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.<sup>12</sup>

There are 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.<sup>13</sup> 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.

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

**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**

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. 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.

## RURAL GOVERNANCE & COMMUNITY OUTCOMES

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? After years of research and practical experimentation, the RGI confirmed that there is a positive relationship between rural governance 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.

To read the complete report, which includes a follow-up on RGI's experiment in operationalizing its eight governance principles in three rural, multi-community regions of the northwest, visit [www.rupri.org/coreprogramviewer.php?id=33](http://www.rupri.org/coreprogramviewer.php?id=33).

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### Endnotes

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- <sup>3</sup> 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>.
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- <sup>6</sup> 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.
- <sup>7</sup> Stark, Nancy. (1997) Op.cit. Page 13.
- <sup>8</sup> 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.
- <sup>9</sup> Stark, Nancy. (1997) Op.cit. Page 22.
- <sup>10</sup> Ratner, Shanna. Yellow Wood Associates. Personal communication, February 28, 2005. Web site: [www.yellowwood.org](http://www.yellowwood.org).
- <sup>11</sup> 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.
- <sup>12</sup> Briggs, Xavier de Souza (May 2003) Op.cit.
- <sup>13</sup> Ibid.