

Agricultural Economics 4723
Rural Economic Development

Spring 2014

Tuesdays & Thursdays 12:30pm – 1:45pm, 202 Ag Hall

Instructor:

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Secretary:

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I. Course Overview

This course deals with economic and social conditions in rural areas of Oklahoma and the United States. It begins by describing rural areas and discussing patterns, trends, and problems in these areas. We review basic economic concepts that help in understanding and analyzing rural communities, and move on to theories of growth and economic development. These allow us to begin to understand how rural economic policy can be constructed and evaluated.

II. Objectives

Upon the completion of this course, the student should be able to:

- a) Understand and analyze conditions and problems facing rural areas;
- b) Apply economic theory to firm location and regional distribution of economic activity;
- c) Understand basic theories of economic growth;
- d) Evaluate alternative policies and programs for rural development using economic concepts.

III. Course Organization and Expectations for Students

Although this course is lecture-based, significant student participation is expected. Students should complete reading assignments prior to the class in question. **Homework is due by midnight on the due date – electronic submission via the class website is required.** No late homework will be accepted. Homework is an individual effort; any joint work will result in a grade of zero. At least three *unannounced* quizzes will take place, both to encourage attendance and to let me know how well the concepts we discuss in class are being understood.

IV. <u>Grading</u>		<u>Points</u>
Midterm Exam	20%	100
Final Exam	20%	100
Quizzes	10%	50
Homeworks	25%	125
Participation	5%	25
Group Project	20%	<u>100</u>
		500 Total Possible Points

V. Participation

A student's participation grade will depend on attendance, informed discussion, asking relevant questions, role in the group project, and use of office visits. Opinions can play a role in economic development, but students should be prepared to support their view with facts. This course encourages discussion; student opinions are often sought and there will be numerous opportunities to participate in class. Simply showing up to class is not sufficient to obtain all possible participation points; students should actively participate in class discussion, ask questions, and contribute to class exercises / presentations in order to acquire the total possible points.

VI. Text

There is no formal textbook assigned to this course. However, shorter readings (articles) will be assigned on a regular basis, and will be included on test and homework questions. These readings are typically accessible through the web, with links available on the class website.

VII. Class Website

The class website will be maintained on the University's Online Classroom site <https://oc.okstate.edu/>. All relevant material, including lecture notes, announcements, and grades, will be posted to this site. Lecture notes will be made available the week prior to beginning a new section. **Homeworks should be submitted to this site.** Grades will be posted as soon as possible, generally less than a week after an assignment has been turned in.

VIII. Group Project

This course stresses applying what we learn to real-world scenarios. Students will work in groups (assigned by the instructor) and use data / techniques from class to assess a specific region or county of Oklahoma. The group project work will involve a substantial amount of out-of-class preparation. Each group will present the results of their work in class, and will submit a short paper on the topic. Students will be evaluated based on participation, teamwork, quality of work, and presentation. Additional information on the group project will be provided as the semester progresses.

IX. Graduate Students

Graduate students enrolled in 4000-level courses such as this one are required by University policy to complete additional work beyond what is required for undergraduates. This can take the form of 1) journal article reviews (articles will be provided by me) or 2) a more in-depth paper on some rural development issue. **Graduate students are required to discuss their project with me before the first exam.** These projects will be due on the last day of class.

X. Academic Integrity

Academic Integrity is expected in this course. Please familiarize yourself with the OSU Academic Integrity Policies at: <http://acadmeicintegrity.okstate.edu>

AGEC 4723 Course Outline – Spring 2014

	Date	Topic	Assignment
INTRODUCTION AND OVERVIEW	Jan 14	Introduction and Overview	
	Jan 16	Definitions and Current Issues	HW#1 Assigned
	Jan 21	History of Rural Development Policy	
	Jan 23	Patterns / Trends in Rural America	HW #1 Due
MEASURING ECONOMIC DEVELOPMENT	Jan 28	Quantifying Economic Development	
	Jan 30	Data and Data Sources (Meet in AGH 266)	
	Feb 4	Socioeconomic Conditions in the U.S.	HW#2 Assigned
	Feb 6	Poverty: an in-depth look	
	Feb 11	What Does an Economic Developer Do?	
THEORIES OF ECONOMIC DEVELOPMENT	Feb 13	Neoclassical Theories of Growth - I	HW #2 Due
	Feb 18	Neoclassical Theories of Growth - II	
	Feb 20	Gravity Models, Efficiency and Equity	HW #3 Assigned
	Feb 25	Incorporating Google Maps (Meet in ANSI 126)	
	Feb 27	Market Failure / Inc & Emp. Models	HW #3 Due
	Mar 4	Review	
	Mar 6	<i>Midterm Exam</i>	
ANALYTIC TECHNIQUES	Mar 11	The Need for Analysis / Multiplier intro	
	Mar 13	Input / Output & Multipliers	HW #4 Assigned
	Mar 18	SPRING BREAK	
	Mar 25	Location Quotients / Shift - Share	
	Mar 27	Pull Factors, Gap Analysis, & Target Industries	HW #4 Due
	Apr 1	Analytic Exercises (Meet in ANSI 126)	
COMMUNITY SERVICES AND INFRASTRUCTURE	Apr 3	Community Services - Concepts	
	Apr 8	Feasibility Studies	HW #5 Assigned
	Apr 10	Digital Infrastructure / EMS / Rural Water	
	Apr 15	CLASS PRESENTATIONS #1	
	Apr 17	CLASS PRESENTATIONS #2	HW #5 Due
REGIONALISM	Apr 22	CLASS PRESENTATIONS #3	
	Apr 24	Targeted Regional Development	
	Apr 29	Regional Development – A “Real-World” View	
	May 1	Review	
	May 5 - 9	<i>Final Exam</i>	

Reading List

I) Introduction and Overview

1. Kusmin, Lorin (ed). “Rural America at a Glance, 2013 Edition.” Economic Research Service Brief No EB-24. Available at <http://www.ers.usda.gov/publications/eb-economic-brief/eb24> (6 pages)
2. USDA Economic Research Service. “Measuring Rurality: What is Rural?” Available at: <http://www.ers.usda.gov/topics/rural-economy-population/rural-classifications/what-is-rural.aspx>
3. USDA Economic Research Service. “What’s a Farm in 2010?” *The Daily Yonder*, July 2010. Available at <http://www.dailyyonder.com/rest-t/2010/07/28/2864>
4. McGranahan, David, John Cromartie, and Timothy Wojan. “Nonmetropolitan Outmigration Counties: Some Are Poor, Many Are Prosperous.” ERS Summary Report, November 2010. Available at: http://www.ers.usda.gov/Publications/ERR107/ERR107_ReportSummary.pdf (2 pages)
5. Cromartie, John. “Hispanics Contribute to Increasing Diversity in Rural America.” *Amber Waves*, December 2011. Available at: <http://www.ers.usda.gov/AmberWaves/December11/Findings/RuralAmerica.htm>

II) Measuring Economic Development

1. USDA Economic Research Service. “Rural Classifications.” Available at: <http://www.ers.usda.gov/topics/rural-economy-population/rural-classifications.aspx>
2. “Nonmetro Poverty Increased in 2012.” *The Daily Yonder*, September 2013. Available at: <http://www.dailyyonder.com/rural-poverty-increases-national-rate-unchanged/2013/09/18/6799>
3. Bishop, Bill and Julie Ardery. “The Uneven Cost of Rural Health Care.” *The Daily Yonder*, October 2009. Available at: <http://www.dailyyonder.com/uneven-cost-rural-health-care/2009/10/21/2405>
4. Howley, Caitlin. “Stay or Go? The Quandary for Rural Youth.” *The Daily Yonder*, October 2009. Available at: <http://www.dailyyonder.com/stay-or-go-quandary-rural-youth/2009/10/26/2415>
5. Hoppe, Robert and James MacDonald. 2013. “Updating the ERS Farm Typology.” ERS Brief EIB-110. Available at: www.ers.usda.gov/media/1070862/eib110_summary.pdf

6. USDA Rural Development Fact Sheet: Oklahoma. Available at:
<http://www.ers.usda.gov/StateFacts/OK.htm>

III) Theories of Economic Development

1. Levinson, Marc. "Imagining a world without Chain Stores." *The Washington Post*, June 10, 2011. Available at: http://www.washingtonpost.com/opinions/imagining-a-world-without-chain-stores/2011/06/25/AGWv11OH_story_1.html
2. Thoma, Mark. "Equity versus Efficiency." *Economist's View Blog*. Entry from May 23, 2007. Available at:
http://economistsview.typepad.com/economistsview/2007/05/efficiency_vers.html
3. Welker, Jason. "Market Failure and Bullets." *Economics in Plain English Blog*. Entry from Jan 17, 2011. Available at: <http://welkerswkinomics.com/blog/2011/01/17/market-failure-and-bullets/>
4. Blair, John and Michael Carrol. "The Export Base Theory of Growth." Chapter 5 (pages 99 - 109) in Local Economic Development. Will be posted to Class Website.

IV) Analytic Techniques

1. Miller, Wayne P. "Economic Multipliers: How Communities Can Use Them for Planning." University of Arkansas Cooperative Extension Service. 2004. Available at:
http://www.uaex.edu/Other_Areas/publications/PDF/FSCED6.pdf
2. Riggs, William, Thomas Harris, Kynda Curtis, and Buddy Borden. "Importance of Economic Multipliers." University of Nevada Cooperative Extension Fact Sheet 04-59. Available at: <http://www.unce.unr.edu/publications/files/cd/2004/fs0459.pdf>
3. Penn State Cooperative Extension. "Shift-Share Analysis Helps Identify Local Growth Engines." Part of Understanding Economic Change in Your Community. 2003. Available at: <http://pubs.cas.psu.edu/freepubs/pdfs/UA378.pdf>
4. Phang, Fui. "Business Development Series: Oklahoma Trade Pull Factors." SWOSU Center for Economic and Business Development. April 2012. Available at:
<http://www.swosu.edu/cebd/docs/trade-pull-factors12.pdf>
5. Ardery, Julie. "Youth-Powered Hopes Drive Howard Ahead." *The Daily Yonder*. January 2012. Available at: <http://www.dailyyonder.com/youth-driven-hopes-drive-howard-ahead/2012/01/19/3702>

V) Community Services and Infrastructure

1. Felix, Alison and Jason Henderson. "Rural America's Fiscal Challenge." *The Main Street Economist*. Volume 4, Issue 3 (2010). Available at: http://www.kansascityfed.org/publicat/mse/MSE_0310.pdf (7 pages)
2. Bagi, Faqir. "Economic Impact of Water / Sewer Facilities on Rural and Urban Communities." *Rural America* Vol. 17, No 4 (2002). Available at: <http://www.ers.usda.gov/publications/ruralamerica/ra174/ra174f.pdf> (6 pages)
3. Whitacre, Brian. "Broadband's Economic Impact." *The Daily Yonder*, August 2013. Available at: <http://www.dailyyonder.com/broadbands-impact-rural-economy/2013/08/16/6712>
4. Whitacre, Brian. "Broadband Infrastructure and Adoption in Oklahoma: 2012 Edition." Oklahoma Cooperative Extension Fact Sheet Current Report. July 2012. Available at: <http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-8333/Broadband%20Infrastructure%20web.pdf>
5. Brooks, Lara, and Brian Whitacre. "An Analysis of the Demand for an Assisted Living Facility in the Beaver County, Oklahoma Medical Service Area." Oklahoma Cooperative Extension Report AE-09009. March 2009. Available at: <http://www.okruralhealthworks.org/PDFWEB/AE-09009.pdf>
6. USDA Rural Development. "Oklahoma Program Guide." September 2010. Available at: <http://www.rurdev.usda.gov/Publications/OK-Program%20Guide.pdf>

VI) Regionalism

1. LaFlamme, Marcel. "Learning from Carrington." *Plurale Tantum*, June 2011. Available at: <http://pluraletantum.com/2011/07/11/learning-from-carrington/>
2. Crawford, Mark. "Smaller Towns Teaming Up Through Regional Economic Development Partnerships." *Area Development Online*, Apr/May 2009. Available at: <http://www.areadevelopment.com/siteSelection/Apr09/small-towns-regional-development-partnerships001.shtml>
3. Florida, Richard. "The Uselessness of Economic Development Incentives." *The Atlantic Cities*. December 2012. Available at: <http://www.theatlanticcities.com/jobs-and-economy/2012/12/uselessness-economic-development-incentives/4081/>
4. Bishop, Bill. "Rural Research: Crops and People." *The Daily Yonder*. October 2012. Available at: <http://www.dailyyonder.com/rural-research-crops-and-people/2012/10/08/4529>