

**Increasing
Understanding:**

Public Problems & Policies

Executive Summary

National Public Policy Education Conference

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INTRODUCTION

Since 1951, Farm Foundation has published the proceedings of the annual National Public Policy Education Conference under the title of Increasing Understanding of Public Problems and Policies.

The publication is widely distributed each year to Extension policy educators and used as a reference for policy education programs across the nation.

This "Executive Summary" is designed to stimulate interest in public policy issues, to provide educators and other interested parties with a quick review of the major presentations given at the 1996 National Public Policy Education Conference, and to serve as a resource for policy education programs.

This text also will be available on Farm Foundation's home page (<http://www.farmfoundation.org>) in late 1996.

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Changing Federalism

When President Clinton boldly announced the era of big government is over, he was acknowledging a reality demonstrated in citizens' recent anti-government, anti-*status quo* voting patterns.

Thirty years ago, nearly 80 percent of voters were confident government would do the right thing most of the time. Now, fewer than 20 percent have that trust.

Causes for this decline in support include:

■ **Hyperpluralism**...interest group politics. Too many groups think of government only in terms of the benefits they can secure. Individually, these interests may be meritorious. Together, they break the bank.

By limiting the life's blood going to any program, these groups cripple government through overextension. New priorities go unmet.

■ **Congress' promising too much**...essentially and eventually discrediting government.

Deficits have dominated public policy considerations for more than a decade.

The public now is demanding programs be honestly financed and it's recoiling from the creation of new bureaucracies. But existing programs aren't subject to the same budgetary discipline.

With entitlement spending, for example, Democrats mostly have done cost shifting that's accomplished little. Republicans have bravely attempted to stem growth, but foolishly tied it to huge tax breaks.

Medicare funding has been maintained by cutting spending on such domestic programs as housing, human services and urban development. Still, Medicare will be insolvent by the year 2001.

■ **State and local governments' surprising readiness** for the devolution of federal government. In many ways, they are ahead of the federal level, experimenting with new approaches to putting a safety net under the needs of low income and senior citizens.

Odds favor the Republicans' retaining control of Congress for awhile. But voters may need a new generation or political party for leadership as state and local governments absorb more challenges.

The emphasis will not be whether there will be cuts, but rather by how much. Change is here to stay.

Tim Penny

*author and former Congressman;
co-director, Humphrey Institute
Policy Forum, and
senior fellow, Center for
International Food and
Agricultural Policy,
University of Minnesota*

The Changing Relationship Between Federal, State and Local Governments

[TimPenny]

A
ANSWERS
TO
Q
QUESTIONS

There's an obvious trend toward lumping similar programs into one category and then cutting the total amount budgeted.

Block grants simply aren't as easy to defend as categorical grants. With categorical grants, Congress knows exactly where money goes.

Block grants lost percentages of their budgets back in the 1980s. Categorical grants remained protected.

Congress now has advanced a seven-year budget program. The cuts in this budget accelerate after the turn of the century, when the fallout may be other politicians' problem.

For example, job training programs are being lumped together, with responsibilities to be transferred to the states. And, in the initial years, the budgets for those programs may be roughly the same. Over time, though, the budget for that block of programs will be vulnerable.

In addition, we're likely to see disproportionate cuts out of certain discretionary areas. And states will have varying amounts of resources to offset those cuts, depending on their tax capacity.

On the positive side, however, a recent report indicated taxing capacity is still out there in some states.

It will sort out. There's no other answer.

But we'll learn as we go. And I really believe we'll see leadership talent emerge at the levels at which decisions will have to be made.

We're at a crisis point. We can't wait. If we don't have basic change in Medicare, Medicaid and Social Security, we'll have to double payroll taxes to stay solvent. Those programs are a big boulder we have to push over the hill before it breaks us.

**Barbara
Sheen Todd**

*St. Petersburg, Florida;
veteran county commissioner;
past president,
National Association of Counties*

*The Implications
of Changing
Federalism:
County View*

All 3,043 U.S. counties are evolving to meet the challenges brought by change and growth. They are becoming regional and intergovernmental coordinators, efficiency sources and problem solvers.

As the relationships between federal, state, county and other local governments change, the responsibilities for service and program development will change, too. So far, much is unclear and undefined.

Counties are where much of the new federalism can happen. Still, local officials are waiting with a certain sense of trepidation:

- Whose priorities will prevail?
- Shouldn't problems be solved at the level where the priorities and extent of local problems are really known? After all, polls show many voters are feeling ignored...almost disenfranchised...except on that level where they can reach out and be heard.
- Will mandated programs still be passed down from the federal/

state level without accompanying resources? Will local government have to cut its own programs and services and/or will local citizens have to generate more and more funds to make up for underfunded programs passed to the local level?

■ Is there an equitable way to disperse funds so that those who provide the required services actually get the dollars?

To make the new federalism a real partnership—with all levels working together to develop mutual respect and a common vision—will require defining responsibilities...not with some cookie cutter formula, but real understanding of how the pieces come together.

Counties will need flexibility, along with functional and fiscal responsibility.

This will require local revenue diversification. Many counties are strapped now, because their property taxes have a cap.

It also will require limiting Congress' ability to create national initiatives that are passed down without accompanying resources. It will require working out the mistrust that may develop between state and local governments over the disbursement of such resources.

But it will create a refreshing opportunity to be creative and innovative. State and federal government can take on a new role as the source of technological assistance, particularly in rural areas. With its multiple functions, identities and responsibilities (full-service local government, a *quasi* state agency, a regional actor), county government can help “win-win” relationships develop on all levels.

There will be more opportunities for intergovernmental service contracts, joint service agreements and intergovernmental service transfers...for contracting among counties and with private service providers...for forming coalitions with businesses and organizations.

No level of government has a greater role to serve in the establishment of pro-active, cooperative relationships among all levels of government. For counties to be the government of the future, however, they will need greater empowerment...an equitable partnership.

I think people are more reluctant to put themselves up for public office on any level. We abuse and degrade our public officials. It's a very humbling experience. Every aspect of your life is open to scrutiny. If we balance our scrutiny with support, more people may be willing to put their life on the line.

Counties are trying to ensure we're heard in the new federalism. We're afraid we've been barred at the door, much less given a place at the table.

Of course, problems may result from free migration across state borders. What citizens cost government is higher at certain points in their lifetime. If you need an example, look at all the people who have moved from other states, to retire in Florida!

[Barbara S. Todd -cont.]

ANSWERS
TO **Q**UESTIONS

Tom Stinson

*Minnesota State Economist;
public finance economist,
University of Minnesota*

*The Implications
of Changing
Federalism:
State View*

The American public has fully signed on to the idea of reducing the federal deficit. But it's not fully aware of the consequences, the personal sacrifices that will be required.

When those consequences become apparent, the move to devolve federal government may stall. This could leave both the deficit and the federal government smaller, but with spending still exceeding revenue.

Even so, for the next six years the impact of shifting programs from the federal to state levels will affect each state's economy, as well as its government. Removing \$1.3 trillion from the nation's economy—even over several years—will affect everyone's pocketbook.

This impact will vary from state to state. The federal government is a more important economic sector in some places. States also differ in their capacity to absorb programs, if not given full funding.

The U.S. Census Bureau's 1994 data provide some context:

- Nationally, federal moneys account for about \$5,000 per capita, with Alaska receiving the most at \$7,600 per capita and Indiana the least at just over \$3,800 per person. [See Table 1.]

- More than half of all federal spending goes for direct payments, with 80 percent of this category tied up in Social Security, Medicare and federal/military pensions. Typically, Social Security accounts for almost one-fourth of *all* federal spending and Medicare for one-eighth.

- Some \$170 billion or 13 percent of all federal payments is in salaries and wages. This category varies widely, with the Postal Service accounting for more than 80 percent of such outlays in some states.

- Procurement is 15 percent of federal spending. This category's data are geographically misleading, however, due to subcontractors.

- About 3.5 percent of federal outlays go for research contracts, federal employee fringe benefits, farm programs and such.

- The best known part of federal spending is the \$214 billion or 16 percent of the budget going to state/local grants and aid (G&A) for social safety net programs and for aid to education, retraining programs, wildlife protection, etc. G&A accounts for \$1 in \$6 Washington spends.

- Nearly 40 percent of all federal assistance to state/local governments is Medicaid. The Congressional Budget Office projects Medicaid baseline spending will grow 10 percent a year through 2002. But **Medicare** cuts could exacerbate **Medicaid**'s woes.

Fortunately, the largest proposed baseline budget cuts are delayed until after the turn of the century. It seems unlikely states will be able or willing to make up the entire difference. Nonetheless, they have time to focus on reordering priorities and on designing, testing and modifying delivery systems for the future.

Table 1. Federal Expenditures, 1994

(U.S. Census: Dollars per Capita, by State)

STATE	TOTAL	DIR. PAY.	SOC. SEC.	M'CARE	SL/WAGES	PURCHAS.	OTHER	ST/LO.AID	M'CAID
Alabama	\$5,281	\$2,843	\$1,227	\$646	\$ 741	\$ 797	\$139	\$ 761	\$305
Alaska	7,657	1,525	490	171	2,256	1,662	459	1,754	290
Arizona	4,665	2,591	1,244	546	557	657	125	735	271
Arkansas	4,638	2,975	1,357	733	416	243	202	801	340
California	4,944	2,401	944	678	599	968	142	834	250
Colorado	5,194	2,185	952	464	968	1,223	243	575	177
Conn.	5,066	2,718	1,401	781	429	840	155	925	359
Delaware	4,178	2,527	1,279	585	644	237	102	669	216
Florida	5,095	3,324	1,547	896	521	595	81	575	211
Georgia	4,545	2,195	966	463	843	680	115	713	295
Hawaii	6,449	2,458	987	429	2,119	768	181	923	206
Idaho	4,382	2,224	1,095	452	539	745	187	687	207
Illinois	4,249	2,669	1,225	820	460	274	123	724	237
Indiana	3,843	2,400	1,305	613	365	291	169	618	277
Iowa	4,588	2,683	1,419	747	337	225	630	712	245
Kansas	4,897	2,707	1,276	756	741	451	346	652	236
Kentucky	4,574	2,631	1,230	588	681	345	107	809	348
Louisiana	5,022	2,470	1,092	582	495	704	142	1,213	754
Maine	5,410	2,837	1,279	732	623	825	101	1,023	487
Maryland	7,306	2,717	998	646	1,481	1,644	738	727	238
Mass.	5,856	2,925	1,293	953	515	1,094	285	1,036	348
Michigan	4,104	2,689	1,323	824	304	261	101	749	307
Minnesota	4,116	2,214	1,131	578	354	394	384	770	304
Miss.	5,272	2,738	1,158	629	577	860	159	939	400
Missouri	6,019	2,821	1,329	798	631	1,412	401	752	299
Montana	5,418	2,629	1,239	597	714	238	778	1,058	288
Nebraska	4,583	2,574	1,257	699	598	346	379	686	240
Nevada	4,189	2,340	1,121	415	524	717	62	547	131
N.Hampsh.	4,077	2,329	1,188	558	380	428	99	841	436
N.Jersey	4,723	2,870	1,353	860	473	534	66	780	308
N.Mexico	6,816	2,443	1,011	455	961	2,174	201	1,036	321
New York	4,973	2,857	1,291	888	409	338	133	1,235	623
N.Carolina	4,082	2,331	1,182	476	684	268	111	688	297
N.Dakota	6,127	2,671	1,221	855	887	329	1,139	1,100	315
Ohio	4,326	2,656	1,297	729	402	430	83	754	316
Oklahoma	4,824	2,745	1,225	675	806	351	199	724	240
Oregon	4,231	2,681	1,305	636	460	160	167	763	245
Penn.	5,063	3,252	1,491	998	481	375	149	805	332
Rhode Is.	5,489	3,118	1,418	817	643	501	123	1,103	446
S.Carolina	4,666	2,412	1,152	438	683	743	84	744	363
S.Dakota	5,290	2,563	1,243	670	750	273	698	1,004	286
Tennessee	4,842	2,601	1,209	613	516	865	98	761	348
Texas	4,315	2,235	932	546	544	699	148	689	293
Utah	3,980	1,805	833	289	775	624	142	634	213
Vermont	4,157	2,474	1,203	611	462	188	91	941	322
Virginia	7,004	2,620	996	493	1,854	1,784	260	485	154
Wash.	4,987	2,504	1,117	486	784	765	199	734	270
W.Virginia	5,241	3,295	1,530	776	432	244	81	1,189	543
Wisconsin	3,871	2,482	1,315	696	275	252	182	679	281
Wyoming	4,924	2,248	1,080	473	752	254	170	1,500	207
U.S.	4,996	2,614	1,188	688	598	735	174	804	310

Forces That Shape Our National Values:

Implications for Policy Education

David Mathews

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Kettering Foundation;
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of Health, Education and Welfare;
former president,
University of Alabama*

Shaping National Values: A Non-Profit Perspective

Kettering is a research organization begun by inventors, bold in imagination. They made machines that flew, cars that cranked by themselves. They believed there wasn't anything they couldn't do, using technology.

But attacking problems such as world hunger led them to shift their focus from the technical to the political and, within the political, to the mysterious "public."

Kettering still is looking for Orville and Wilbur Wright—for the inventive who see the world a little differently and take us the next step forward.

What some Extension educators are doing these days suggests that invention also happens in politics, particularly when educators take a different approach to policy.

Kettering's studies are finding that when people have to make policy choices themselves, they are more likely to read the news and learn the facts. They also learn something you can't teach in conventional ways—what makes issues so difficult to resolve...the tradeoffs...the costs and consequences...the lunches that aren't free.

When they get together and engage each other directly in making choices, people actually create knowledge. They learn how citizens address issues—how different the public "take" is from the partisan, the technical and the ideological. They find out what is essential to public action, which are the things people are and are not willing to do to resolve an issue. They develop the skills needed for making choices together, so they can act together.

These skills will be essential as Americans face problems that just won't go away: crime, drugs.... With the devolution of federal programs, communities will have to work together as never before.

Kettering publishes National Issues Forums (NIF) books designed to develop the skills of making choices together. From their use, we are learning about the effects of "choice work."

For example, about 50 percent of the time, people in forums change their minds. More often, they change their opinion about other people's opinions. They don't agree, but they understood why others hold a different stance. And that insight affects the way people relate to and work with one another.

While forums don't end in agreement, they do help people find the area between agreement and disagreement—the common ground for public action.

National Issues Forums aren't just conversations, and they aren't people listening to a speaker. Instead, they are people talking to one another—eye to eye and face to face.

People at forums don't debate. They explore options, weigh views, and carefully consider all the costs and consequences. They don't just swap facts. They work through conflicting approaches to an issue. It's deliberation and it's hard work—but it's *not* impossible.

Deliberation is both natural and ancient.

America's first public forums go back to the 1630s. The Department of Agriculture sponsored town meetings until World War II.

Now, however, public deliberation has been pushed to the sidelines of politics by sound bites and partisan rancor.

The good news is that a growing number of Extension educators are pushing back. They are putting deliberation back into their communities, so that people can learn the time-honored skills of making decisions together.

They know that our most serious problems cannot be solved until we put the public back into the public's business...until we have more public deliberation.

They say Roger Williams' statue here [Providence, R.I.] keeps one eye on the statehouse and one on the First Baptist Church. It's another example of the long-standing, popular misinterpretation of Williams' thesis about the proper roles of church and state.

In a history of America, Richard Niebuhr explained our nation can best be understood as *driven* by a **VISION** of the kingdom of God:

■ **The Puritans.** At first, the kingdom of God meant sovereignty. That sovereignty was our founders' vision—societally and personally—in New England and the expansion west.

■ **The Revivalists.** Succeeding generations lacked the depth of commitment. Form took its place as content diminished.

Even so, revivalists soon were teaching about the reign of Christ in each person's heart. Primarily, these spiritual regenerations showed in the growth of orphanages, colleges, mission societies and hospitals.

■ **The Millennialists & Social Gospelers.** Beginning in the 1820s, prophetic leaders announced the kingdom of God here on earth. They brought the millennialists—the Adventists, Latter Day Saints and Jehovah Witness movements, among others. And, by the end of the

[David Mathews – cont.]

Gary Farley

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The Role of Religion in Public Policy Debate

[Gary Farley - cont.]

century, the Social Gospel movement emerged, to condemn the injustices that came with urbanization and industrialization and call for applying the Golden Rule.

The vision of the Country Life movement that emerged in 1908 was peaceful, productive communities every six miles across the land, with trained agriculturists, nurses, tradesmen.... Cooperative/official relationships formed between rural churches and agricultural colleges, USDA, and later the National Association of Conservation Districts.

These three visions underlay everything from the concept of Manifest Destiny and Jefferson's agrarian dream to the Homestead Act and the creation of land grant colleges. The latter was seen, for example, as supporting a calling—of expressing commitment by excelling in a **VOCATION**...a vision that persists among pastors and educators alike.

Implicit throughout was that religion should be a full partner in policy—not a dominator or a doormat. It can help provide the vision that drives movements.

But our **VALUES** cannot be cited without reference to an agreed-upon vision. If we divorce values from an over-arching vision, we can set the stage for tragedy—the kind of tragedy that started with Adam and Eve...and continues today when people use such values as need, freedom, and righting past wrongs as excuses for doing terrible things.

In the farm bill debate, interest groups wrap their proposals in values. Although that's no tragedy and we might agree individually with many of their proposals, we still can't do every one. We must consider the needs, interests and goals of all players and of the whole.

Then, completing the circle, values can correct this larger vision.

In particular, without the values of *justice*, *love* and *hope*, people come to the table incomplete in comprehending what's needed.

The **Puritans**, for example, focused on *justice* alone and became unloving. **Revivalists** focused on the *love* of God to the point they became unjust. *Hope* drove the **millennialists and Social Gospelers**, but some became "so heavenly minded they were no earthly good."

Now we have no common vision giving direction to public policy. So, policies often counteract each other or even work at cross-purposes.

Of course, our former vision of rural America is no longer viable. Improvements in transportation, communications and the industrialization of agriculture have made six-mile communities obsolete.

In the South and Midwest, we're actually seeing a new center of rural life—a larger town that's often the county seat and contains the franchises, health center and consolidated school. Old towns are becoming like neighborhoods of the larger town.

We can mourn this change, but hope a larger sense of group—a **VIRTUAL COMMUNITY**—will embrace these more diverse areas. And, as many as 200,000 congregations can help make that happen.

Does the press shape or reflect national values?

No question is easier to answer and no answer less open to proof.

Yes, the press does not operate in a vacuum. We write and edit based on what we know and how we feel—which are greatly influenced by the social environment in which we live.

Yes, our communities work partly based on the exchange of news and information—which the press makes possible on a large scale.

There are obvious differences in coverage between the print and electronic media. There are differences among the players in the printed press, from big metropolitan dailies to little country weeklies.

Yet, two weeks ago, the Oregon press reported the first state execution in 34 years. Coverage was straightforward, but implied the murderer deserved what he got. Editorial opinion was about the same.

Because 70 to 80 percent of Oregon voters support the death penalty, we can assume this coverage brought widespread satisfaction. It reflected majority values.

At the same time, the majority of journalists are inclined to be liberals. And liberals generally hold that the death penalty is wrong.

With natural resource issues, however, the media often reflect the prevailing public view when they should be raising questions and digging up facts to help the public find more reasonable answers.

The federal landholdings in the Pacific Northwest really hit the wires in the 1980s, when environmentalists started winning injunctions barring federal timber sales. Their tool was the northern spotted owl.

No one questioned owl counts made by biologists who held up a mouse on a limb and hooted. No one mentioned the sightings that countered the theory the owl's only habitat is old-growth forests. No one mentioned that a third of Oregon's land has old-growth characteristics and more than half already is designated as wilderness or set aside.

Aerial photos presented images of a timber Armageddon. No on-site pictures presented what in reality was an entirely different view.

With a near absence of factual coverage—exacerbated by near ignorance of modern resource industries—the media left the field wide open for decisions made on the basis of feelings and emotions alone.

The same tone has been evident in news coverage of the “timber rider” Congress passed in 1995 and in stories about the Superfund. Any change is viewed as an automatic relaxation or refutation of some of our most important environmental laws. Few media question how these laws work or how much they've cost, relative to the benefits produced.

With their research, data bases, Cooperative Extension Service and agents, state universities can help keep the press balanced.

But they cannot be shy. And they must not couch science in terms so guarded and tentative that no one thinks it's news—much less understands it.

Hasso Hering

editor,

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daily radio and television
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Does the Press Shape or Reflect National Values?

The 1996 Farm Bill:

Implications for Farmers, Families, Consumers & Rural Communities

Daryl Ray

*founder and director,
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Analysis Center;
University of Tennessee
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What Does It All Mean?

The 1996 farm bill can be viewed as the convergence of disparate interests, involved in the legislative process:

- Farmers, who were wanting fewer restrictions.
- Agribusiness, wanting more acreage and production.
- The reform movement, wanting government out of agriculture.
- Legislators, primarily concerned about the budget, the budget and the budget.

The Republican majority that swept into Congress in 1994 sought ways to reduce the role of government in agriculture and other policy arenas. Its major focus became how to cut \$13.4 billion from the \$56.6 billion the Congressional Budget Office estimated it would cost to continue the 1990 farm bill for another seven years. After more than a year of proposals, the result was the Federal Agricultural Improvement and Reform (FAIR) Act.

The farm bill passed without open congressional debate. But that does not mean all is rosy in these early days of a new farm policy era.

Reformers see the bill as transitional payments, to wean farmers from farm programs. After all, the FAIR actually increases (and front loads) government payments.

Some farmers believe the bill probably is the best they can expect. Even more farmers think the bill is a windfall—a tremendous amount of money they had not expected to receive. Moreover, the FAIR does not end permanent farm program authority; so, policy can be revisited.

Agricultural Policy Analysis Center (APAC) projections for 1997 to 2004 suggest corn acreage under the FAIR may average 1.3 percent or 1 million acres below what would have been likely under an extended 1990 farm bill. Soybean acreage may average 2.5 percent or 1.5 million acres higher. Wheat acreage could be slightly higher and cotton, slightly lower.

Prices for the major grains could drop through 1999. They may recover beyond that time, but probably not to 1996 levels.

APAC projections suggest that over the next few years, net returns for the seven major crops under the FAIR could be higher than they would have been if the 1990 farm bill had been extended. Projected

returns under the FAIR remain above those for the 1990 bill until 2002, even though the FAIR program's payments get smaller with time. By 2004, projected net returns are almost identical under each policy.

For the FAIR's duration, however, farmers are likely to receive about \$11 billion more in combined returns to corn, grain sorghum, oats, barley, wheat, soybeans and cotton production. Net income for the entire agricultural sector could be about \$9.4 billion higher than it would have been under a 1990 bill extension.

APAC's projections are based in part on relatively conservative export assumptions. Agricultural exports recently have been the subject of a great deal of optimism. Many believe export sales will soon take off and create a new age for the U.S. farmer. The numbers available today, however, suggest an export-driven agricultural boom is unlikely.

For example, projections indicate corn export value will decline through 1999. Even with an increase in Chinese corn imports later on, U.S. export value may not return to 1995 levels by 2004.

In addition, cotton exports will continue at about one-third of their 1994-95 value through 2004.

Annual changes in exports are shaped primarily by importers' or competitors' production shortfalls, as well as by changes in competitors' trade policies, credit arrangements and exchange rates.

An example of the second factor is emerging as the European Community (EC) positions itself to end wheat export subsidies by the end of the century. Even without subsidies, the EC is likely to be competitive and increase its market share by the time the FAIR expires.

Still, if the United States can hold its share constant after 1999, domestic wheat prices may recover to nearly \$4 a bushel by 2006.

What does all this mean for policy educators?

The new bill gives farmers nearly complete planting flexibility, so they can adjust planting decisions in response to conditions in export and domestic markets. The bill keeps Conservation Reserve Program land as a resource to meet sudden increases in demand for crop production—although targeting the CRP to exclude more productive lands diminishes the program's usefulness for this purpose.

On the negative side, the FAIR does not provide buffer stocks, and its Production Flexibility Payments are not tied to the fortunes of agriculture. The lack of buffer stocks and of price/income supports will allow large commodity price swings, as we've seen this year.

Increased price volatility also increases farmer and lender risk.

This combination of effects is an opportunity for agricultural economists to help farmers learn better ways to manage risk. The duration of the FAIR also will be a period when public policy educators can be an important voice of reason, cautioning farmers against extrapolating today's returns into blind optimism for the future.

[Darryl Ray - cont.]

Chuck Hasebrook

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Implications of the 1996 Farm Bill - Comments

A striking thing about the 1996 farm bill debate is that Pat Roberts (R-Kan.) actually was able to increase payments to farmers at the same time he was talking about getting government out of agriculture.

In addition, the new farm bill is going to increase payments during a time when commodity prices are quite high. It then will move payments down about the time prices are likely to go down.

The real test of the bill will be what happens to farm income, to the family farm and rural communities when that second phase kicks in. In theory, farmers are supposed to be putting farm program payments into savings now. In reality, landlords may be the only ones benefiting.

We're already seeing movement from crop-share to cash rental agreements, because landlords just want to put their money in the bank. This, as well as the policy shift, is putting more risk on farmers.

The most positive thing for farmers in the new farm bill clearly is the increase in planting flexibility. We've got a good number of people out there continuous cropping, but many farmers want to do something more creative. This gives them the opportunity.

The elimination of grain reserves was foolhardy. We learned in Old Testament times that reserves are the long-sighted thing to do.

And Washington has to look more closely at how much money it throws at the countryside...and why that money keeps depopulating agriculture and helping rural towns die.

Federal policy subsidizes larger farms to go out and bid land away from everybody else. You can see it in six-figure payments to big farmers. You can see it in what's happening with cash rents. You can see it in land prices. It's squeezing the smaller guys out of business.

Government needs to ask farmers—not commodity groups—what they want. In almost every opinion poll, the option that gets most support is to reduce payments to large farms and high income farmers.

This farm bill came close to ending any hope of coming up with a farm bill that really supports family farming. We may get one last chance in the next farm bill debate. But the handwriting is on the wall.

Fortunately, the new bill seems to continue the federal commitment to long-time conservation and rural development efforts.

For the first time, mandatory spending authority was expanded to include those issues. The new bill will improve the way conservation programs work together and keep them targeted and flexible. It allows USDA to help pay for innovations with strong conservation benefits, even if the idea doesn't fit an existing program. It provides more incentive to focus the Conservation Reserve Program and allows for partial-field enrollments for groundwater filter strips and wildlife habitat.

The bill's provisions also allow for more citizen involvement. States' newly required conservation technical committee can't just be agency heads; it may end up being a "sleeper" for conservation efforts.

A lot of the \$300 million mandated over a three-year period as the

Fund for Rural America has already been sucked up, making up for cuts in existing rural development programs. But some will be left for research and for innovative programs such as value-added and market premium initiatives. That could bring long-run benefits.

Farmers would do well to build a new generation of co-operatives that enable them to add more value right on the farm by producing products consumers want and marketing them effectively.

People want government fixed, not out.

The 1996 farm bill did not adequately address consumer concerns. Food security and food prices were not among the driving forces. In fact, the bill represented a breaking away from the traditional concerns of small farms, family farms and consumers.

Regrettably, Congress eliminated authority for the Farmer-Owned Reserve (FOR), although U.S. and world grain stocks are record-low. The FOR was the one feature of past farm legislation that had the potential to address the issues of food security and rising food prices.

Of course, current low grain stocks developed under past farm programs. Price instability has been the rule in world markets during the last 12 months, as supply concerns translated into higher prices.

But grain stocks will not rebuild this year to levels that ensure stable prices. The United States will have to plant and harvest bumper crops next year to begin the process of rebuilding adequate supplies.

Time and politics both tell us we can and should rebuild stocks.

Consumers already are getting socked. In recent years, the price of food increased by about 2.5 percent annually. For 1996, however, the increase is likely to be closer to 4 percent. By 1997, prices could be rising 4 to 6 percent—almost double the previous average.

There are two widely divergent views for the future:

1. Conventional—*"Everything will turn out all right."*
2. Pessimistic—*"Irreversible forces have undermined the food system. Biotechnology has been a disappointment. Rising world population could increase demand to impossible levels. Water availability may be a critical problem within 10 years. Technology yields little short-term benefit; land availability will be the long-term problem."*

In a world where demand for food is increasing rapidly and questions are looming about the potential for increased grain production in both the short and long runs, strategies are necessary, to guide the food system in a positive way. The role of public, private and even nonprofit institutions will remain important.

[Chuck Hasebrook-cont.]

ANSWERS
TO **Q**UESTIONS

John M. Schmitzer

senior economist,
Public Voice

*Implications
of the
1996 Farm Bill -
Another Comment*

Concurrent Sessions:

Discussions led by

Ron Knutson, Texas A&M University;
John Keeling, American
Farm Bureau Federation;
Daryll Ray, University of Tennessee

1996 Farm Bill: Implications for... FARMERS

Since the 1930s, farmers' planting decisions to a significant extent have been determined by the government. That is, if farmers were going to obtain deficiency payments, they had to plant within their acreage base.

The idea of decoupling payments from prices and production was facilitated by favorable marketing conditions. Farmers wanted the flexibility to take advantage of those conditions.

Flexibility raises the very important question of what will be produced where. In 1996, weather adversities led to substantial shifts in production patterns, shifts which would not have been possible without flexibility provisions. The outlook for the future suggests:

- Greater strength in export demand for corn and soybeans, as incomes in the rest of the world rise.

- Greater shifting in cropping patterns, as farmers respond to ever-changing price incentives.

The key for farm survival in this environment will be the ability to manage risk.

Discussions led by

Roberta Moseley, Rutgers University;
Yvette Jackson, Food & Consumer
Service, USDA;
John Schnittker, Public Voice

1996 Farm Bill: Implications for... CONSUMERS

The 1996 farm bill reauthorized the Food Stamp program, which began in 1961. But the effects the 1996 welfare reform bill had on Food Stamps went beyond reforms to deep cuts, to save federal dollars.

Food Stamps never were intended to be a family's only source of food supply. While the program never has reached all the people who are in need, it has served as a major safety net to ward off hunger and help safeguard the health of low income children and families.

A big concern under the welfare reform bill is treatment of legal immigrants—who work and pay taxes, but mostly will be ineligible for Food Stamps until they become citizens. This change could affect 1 million people a month and have a big economic impact in some states.

For able adults without children, the new time limit on Food Stamps is harsh. The bill does not require states to provide training/jobs or to help those willing to work, but living where jobs aren't available.

Through adjustments in the basic benefit level, elimination of the standard and homeless shelter deductions, and other changes and caps, the new welfare bill makes the Food Stamp program less responsive to changes in the economy. This may force recipients to choose between food for their children and other daily living expenses.

The president wants to soften the bill's impact, particularly for the elderly, disabled and families with children. To make the changes easier and fairer, states will not be penalized for mistakes made in the first 120 days after they begin to implement.

The timing still may be particularly bad, because the American public is facing at least several years of higher food prices. We haven't

produced as much as we've consumed in seven of the last 10 years. This could have a large impact on food costs, particularly when combined with the recent increase in the U.S. minimum wage (affecting many traditionally low-paying jobs in the food industry).

Roughly, every 1 percent rise in food prices translates into \$6 billion in consumer costs. Low income families already spend 24 percent of disposable income on food, leaving no "slack" for higher costs.

Food security is based on 1) availability of a variety of foods at reasonable cost, 2) ready access, and 3) sufficient personal income to buy food without resorting to socially unacceptable ways of acquiring it. If any of these factors is lacking or in jeopardy, food acquisition—not nutrition—becomes the primary goal.

Policy changes may be setting up millions of Americans to fail. They must be made carefully and with concern for vulnerable citizens.

General goals for ag-dependent communities include: 1) foster some business and property ownership within the community, rather than just bring in industries with \$7-an-hour jobs; 2) maintain some traditional sense of responsibility to the community; and 3) strengthen the base of the family farm and promote an entrepreneurial attitude, with value-added initiatives and different types of co-ops.

Methods being considered include exploring new models of wider, more community-oriented co-op ownership patterns. The Fund for Rural America, if continued, also may provide incentives for innovative projects and research on the sustainability of small to moderate farms.

Communities need to help steer the direction of technology and local adoption, rather than wait for its impact.

USDA's 14 or so categorical grant programs (value-added, water, facilities, etc.) will all be lumped together into one fund. Rural Development Agency (RDA, formerly Farmers' Home) directors are to involve diverse interests in developing state strategic plans for fund use.

The farm bill is still in transition mode; appropriations aren't clear. Downsizing/restructuring have left a programmatic leadership vacuum in USDA's rural community programs. RDA staff whose methods and programs have focused on farmer finance in the past may not be skilled at involving other groups in community planning and decision making.

Extension has an opportunity to work with state Rural Development Agency staff and local groups on the state strategic plans.

State Rural Development Councils can provide a forum for a wide range of issues, but have "shoestring" funding and may not survive.

Pressures, uncertainty and instability in revenue sources are likely to continue. And, the new relationships between levels of government suggest fewer safety nets for local governments (for schools, etc.).

The less sophisticated communities likely will lose out.

[Concurrent Sessions - cont.]

Discussions led by

Rod Clouser, University of Florida;

*Chuck Hassebrook, Center
for Rural Affairs;*

Mark Edelman, Iowa State University

1996 Farm Bill: Implications for... COMMUNITIES

Societal Issues of Work and Family

Cal Williams

senior research associate,
Families and Work Institute

The Changing Work Force and Implications for Work and Family

Worklife issues affect quality of service to clientele, as well as employees' personal well being. In other words, they're a business issue.

The Families and Work Institute recently studied what workers are facing, what business is doing about those realities and what business could do better. The institute administered a one-hour, random, national phone survey to 2,958 salaried/waged employees and compiled the findings into *The National Study of the Changing Workforce*.

The study findings include:

- 1 in 5 workers experienced some job vulnerability.
- Employees reported working very hard. One in 10 was working more than 60 hours a week, and 1 in 4 was working 50-plus hours.
- About 40 percent felt tired when they got up...and used-up at the end of the work day.
- 99 percent were committed to doing a good job, with 57 percent being strongly committed.
- Only 28 percent were strongly willing to work harder than required, to help the company succeed.
- Employees' No. 1 measure of success was their personal satisfaction or intrinsic sense of accomplishment.
- Wage/salary was No. 16 on the list of why employees took their current job. Much higher were:
 1. Perceived autonomy on the job (e.g., having a say in what happens to them and some control over their schedule).
 2. Job's effect on personal life; the nature of the work itself.
 3. Social support, often from the supervisor as he/she reflects the workplace culture (e.g., "unwritten rules" about employees' using company time to meet family needs).
 4. Perceived opportunity to advance, regardless of gender/race.
 5. Working with others like themselves (preferred by just over half of the respondents—although it is important to note that those who had worked on a diverse team preferred diversity).
- 91 percent of respondents were living with a family member or

someone else; 47 percent had dependent care responsibilities.

- Women in dual-career families were doing most of the housework, other than repairs (although men believed they were doing more). This did not vary with age or salary level.

- The No. 1 most difficult personal problem was finding quality child care. (Independent studies support this finding, indicating only 12 to 14 percent of children are in child care considered to be good. But 35 to 40 percent of infants are in care considered bad or even harmful.)

- On average, employees had access to only .66 of a possible five dependent care programs. This number declined with the size of the employee's paycheck.

- The greatest predictor of whether a large company was "family-friendly" was its recently having merged or downsized.

- The average worker missed 3 days a year, due to child care issues.

- The spillover from job to home was much bigger than the spillover from home to job.

- Workers were willing to change employers or give up benefits, to have access to worklife supports. But 18- to 24-year-olds were more willing to make sacrifices in education or career than in personal life.

What's needed now?

Places to start include follow-up studies, the search for new models, dialogue that reaches more workers and businesses, and meaningful partnerships that are committed to addressing the issues.

Those responsible for most of the burgeoning growth in small business are women. People are going to be working for women in ways they never have before.

For these and many other reasons, people are having to recognize work-life issues aren't just women's problems. They're family concerns:

- There is no clear direction on how to meet work-life issues. What's needed is collaborative efforts, to establish priorities for attention and provide support in legislative hearings and the press.

For example, a privacy and family leave law has passed out of committee and is headed for Congress. The legislation involved businesses with good leave policies—businesses who recognized happy workers get more done and are, in fact, an asset to the bottom line.

This legislation is not all it could be. But once something is on the books, we can work from there.

[Cali Williams - cont.]

Patricia Hendel

vice president, National Association of Commissions for Women; executive director, HOPE; former state representative, Conn.

*Work - Life:
An Interplay
of Issues*

[Patricia Hendel - cont.]

Of course, if the law is not communicated—if people don't know about it—it won't do a whole lot of good. We also have to have regulations that don't thwart the intent of the law.

We've already done the same process on the subject of sexual harassment. Supervisors in the public and private sectors had to learn, because they didn't want lawsuits against them.

■ Domestic violence has become a national problem that affects all aspects of our daily lives.

We've had some success in the registration of convicted sex offenders, stalking laws, prohibition of discrimination against victims (as can be the case with car insurance), hand gun restrictions.... We're finally finding some aspects of child support enforcement. Almost every state has something on child identification.

■ Health is a burgeoning legislative issue, although the national health plan sidetracked it and prevention still is not a priority.

HMO's and other efforts toward cost-effective health care policy are being driven by things other than medical care. Some insurers are saying, for example, before women can have a C-section, they have to go through regular delivery for some undefined number of hours.

Women also are concerned about the portability of health insurance and about having dependent children covered.

This kind of legislation isn't adopted in a vacuum. It's usually in response to a publicly acknowledged need.

Beginning legislation does not always solve the problem. Law-making is a dynamic process. Laws frequently need to be modified. And that takes public understanding. So, we have to create an informed public by sharing information on how things get done.

■ The U.S. Department of Labor has initiated a Working Women Count—a benchmark study of female employees' concerns. More than 1,600 groups helped distribute the survey, which generated more than 250,000 responses. The replies established a strong consensus.

The respondents indicated they are concerned about improved pay and economic security. Women worry about adequate health and child care. They want training and the flexibility to balance work and family.

The Bureau now has developed an honor roll, recognizing employers who are addressing one of these issues in the workplace.

■ Concern about such issues has expanded to the world, as exhibited in last year's U.N. Women's Conference in Beijing.

Issues can vary from point to point. In every case, however, an active, informed public is the best vehicle to face the challenges.

Only through communication, outreach, education and grassroots participation—including voting—can we address the issues now affecting work and family.

Property Rights: Their Allocation and Distribution

When we study why people create environmental problems, we often locate the source in the tragedy of common property rights.

Formal thinking on common property derives from studies of fisheries. We have used this model to manage our national resources.

Economists believe the *maximum sustainable yield* approach may not equal *maximum economic yield*. They add that with open access—no barriers—people will continue to enter into activities that dissipate a profitable resource until the capital involved costs more than the resource yields (e.g., whaling). This has been the basis for a long-standing argument for limiting access, even establishing privatization.

Yet, there is another paradigm—the social/community paradigm, which focuses on collective action and other social responses to environmental problems. It is a new, yet old response to the “tragedy of the commons” theory, which holds that market regulation doesn't work with common resources.

Common property is not a resource such as air or large waterways. Rather, it is a cultural agreement—the ways people choose to relate to each other and to a “common pool” resource. It implies an element of “subtractibility”—e.g., that one person's behavior could affect another's enjoyment. It implies some right to use in common with others and/or not to be excluded from use. It also may imply that one person cannot sell, exchange or transfer those rights.

Common property is a large class, including much that's thought of as state or public property.

Its boundaries and nature can vary. In Sweden, even foreigners can enter private land to harvest wild mushrooms or berries in season. In some villages, common property rights depend on citizenship or land ownership. New Jersey beaches are municipal, but open to all for a fee.

Property rights should be distinguished from management regimes, which can vary from *laissez faire* (with or without open access) to market regulation (with or without private property rights), from government regulation to communal regulation.

The relatively new paradigm of communal management holds that self-governance will not always be possible or even wise, given the nature of some resources (migratory species, competing claims, etc.). But what may be possible is co-governance by the public *and* state.

Bonnie McCay

*anthropologist, Rutgers University;
president elect, International
Association for the Study of
Common Property*

*Forms
of Property Rights
and the Impacts
of Changing
Ownership*

Larry Merculieff

*general manager,
Central Bering Sea
Fishermen's Association;
chairman, Indigenous Peoples
Council on Marine Animals;
chairman, Alaska chapter,
Nature Conservancy*

Common Property Issues and Alaska's Bering Sea Communities

Indigenous people are now at the table in many policy forums and in the halls of Congress and state legislatures. Just four years ago, that was not so.

What has happened to the Alaskan native community is a result of recent changes in access to fisheries. We are a case study example of a new “common pool” resource management regime.

Indigenous Alaskans have thrived in the Bering Sea for 10,000 years. It was a remarkable test of a people’s ability to survive, a daunting physical challenge and certainly a challenge of the spirit.

Our Wisdom Keepers tell us not to talk too much. To do so is to single ourselves out. That’s considered undignified.

But they also say we must speak from the heart. And we must leave as much as we can to posterity.

So, we hope hearing how our program got started will raise questions, stir critical thinking on how we might improve our regime.

The Central Bering Sea Fishermen’s Association is one of six community development quota (CDQ) organizations. It would not have been possible without the Magnuson Act of 1976, which Americanized the fisheries by creating a 200-mile exclusive coastal economic zone.

The Magnuson Act called for equitable distribution. We believed that not accommodating the communities that historically and culturally were most connected to the Bering Sea would fail the spirit and intent of that act. Those resources were distributed to a handful of large fishing companies based 1,500 miles out of state—ignoring residents who were in subsistence economies. This was more than incongruous.

As usual, however, industry did not voluntarily agree to relinquish their rights to a finite resource. Government had to coerce them.

Had industry not agreed to relinquish 7.5 percent of the allowable pollock catch, they would have found themselves in litigation with local communities, to interpret the Magnuson Act and native people’s rights.

Even so, we still face present and future court challenges.

Our CDQ organizations are subsistence and commercial fishers in coastal communities within 50 miles of the Bering Sea. We are the most regulated fishing groups in the United States, bar none.

The regulations are promulgated by the U.S. Secretary of Commerce and implemented with interpretations by the state of Alaska.

We are run by a board of directors who must submit a community development plan that includes resumes, a detailed annual budget, plans for the next three years, goals and milestones, and a narrative on the planned uses of moneys and on joint ventures with private companies. The board must submit its plan to the local governing body, which holds a public hearing to decide whether to support the plan. This serves as the quota application.

Nonetheless, the state recommends the percent of quota a CDQ group should receive and submits it to the Secretary of Commerce. To

date, the secretary's approval appears to have been *pro forma*.

CDQ's are meticulously monitored by the state. We must submit quarterly, midterm and year-end reports; budget comparisons; annual audits.... We cannot exceed any budgetary line item by 20 percent without authorization from the Secretary of Commerce. To do so brings heavy punitive action in the form of quota cuts. The last allocation included multi-million dollar state cuts ranging from 20 to 50 percent.

The 7.5 percent quota cap set in 1992 translates into about 70,000 metric tons per year, divided competitively among our six groups.

But an individual commercial pollock ship costs \$40 million to \$60 million. That's why most CDQ's sell their rights in a joint venture; they receive royalties in return, ranging from \$210 to \$310 a metric ton.

The CDQ group that represents St. Paul Island and its 600 Aleut residents has been investing its returns in harbor improvements, small boats, scholarships and internships. In less than half a generation, we've become one of the most robust economies in rural Alaska.

In the 1980s, our island had no economy. Now it has \$34,000 per capita income. Our port is No. 2 in tax revenue for the state. The new boats have employed 100 residents and generated \$1 million in just three weeks. Our island has attracted \$70 million in private investment.

Nonetheless, our people also have a legacy of stewardship.

U.S. ships throw 740 million pounds of targeted fish overboard each year. We don't know how many nontarget species are wasted.

We were successful in securing mandates in the Magnuson Act, to substantially reduce this wanton waste. We hope to get the Secretary of State to negotiate unilateral agreements with Russia on indiscriminate waste on the Russian side of the Bering Sea.

Indigenous peoples know everything is connected. Scientists and physicists (with their complexity and chaos theories) are essentially confirming our view.

The State Department established a multi-disciplinary scientific group to examine the Bering Sea as an ecosystem. Our nation has had single species management regimes and now is seeing the results. This group identified the research gaps and made recommendations.

When our Wisdom Keepers look at the world, however, there's no question they see a growing monoculture with singular ways of thinking, singular ways of educating, singular ways of agriculture, singular ways of communicating. That's not the way nature functions.

Nature adjusts in multiple directions and dimensions. It requires constant movement toward balance, yet never achieves balance, because it is always changing.

To the extent humans become telescopic in thinking is the extent to which the human race will become extinct. We need to bring to the table people from different world views, to help us survive. CDQ's can make a meaningful contribution to fishing management and to our nation.

[Larry Mercurieff - cont./

James Wilson

resource economist,
University of Maine

*Maine's
Lobster Fishery -
Managing a
Common Property
Resource*

An experiment in common property resource management is just starting with Maine fisheries. It is the result of regular conversations state, industry and university personnel have been holding for a decade.

Until now, most management has been a common sense, single-species approach. The object has been to limit harvests, to leave enough population to spawn and sustain the resource (i.e., the approach has presumed humans can manipulate fish stock with predictable results). Management has extended over all the species' range, which usually is large.

This almost inevitably has led to a top-down approach.

It also has led to a certain centralization of information.

The scale of concern for cod, for example, covers a range from North Carolina to Canada. And, after all, who other than scientists has time to gather information over that range and make some sort of analysis?

Recent ecological theories are at odds with this single-species management approach. Those theories also are surprisingly close to how Maine fishermen believe fishery systems really work.

Together, they point to different, more ecological assumptions:

- Species sustainability depends on the state of the ecosystem.
- Trying to "manipulate" an unpredictable and complex ecosystem always leads to unintended consequences.
- Fishing rules must focus on *how*, *when* and *where* fishing should take place, rather than just *how many* fish to harvest.

To meet these challenges, Maine plans to decentralize its fisheries management, making it more democratic and putting more reliance on information from fishermen. This will mean paying attention to many ecological activities at many scales, small to large.

Maine has started this experiment on a limited basis, working with state lobster fishermen.

These fishermen have a history of self-enforcing conservation efforts. In addition, lobster stock is relatively sedentary, so the fishery has long-held community/family traditions.

Maine has divided its coast into seven ecological zones. A locally elected lobster council will have authority over each zone, enforcing all relevant rules (e.g., days and times fishing is allowable).

Enacting or changing rules will require a consensus, however—a local referendum approved by at least two-thirds of the zone's licensed lobster fishermen.

Representatives of these groups will have authority over larger scale events and so on up the system.

As experience builds, the state will expand its efforts to include fisheries for other marine species in the council system.