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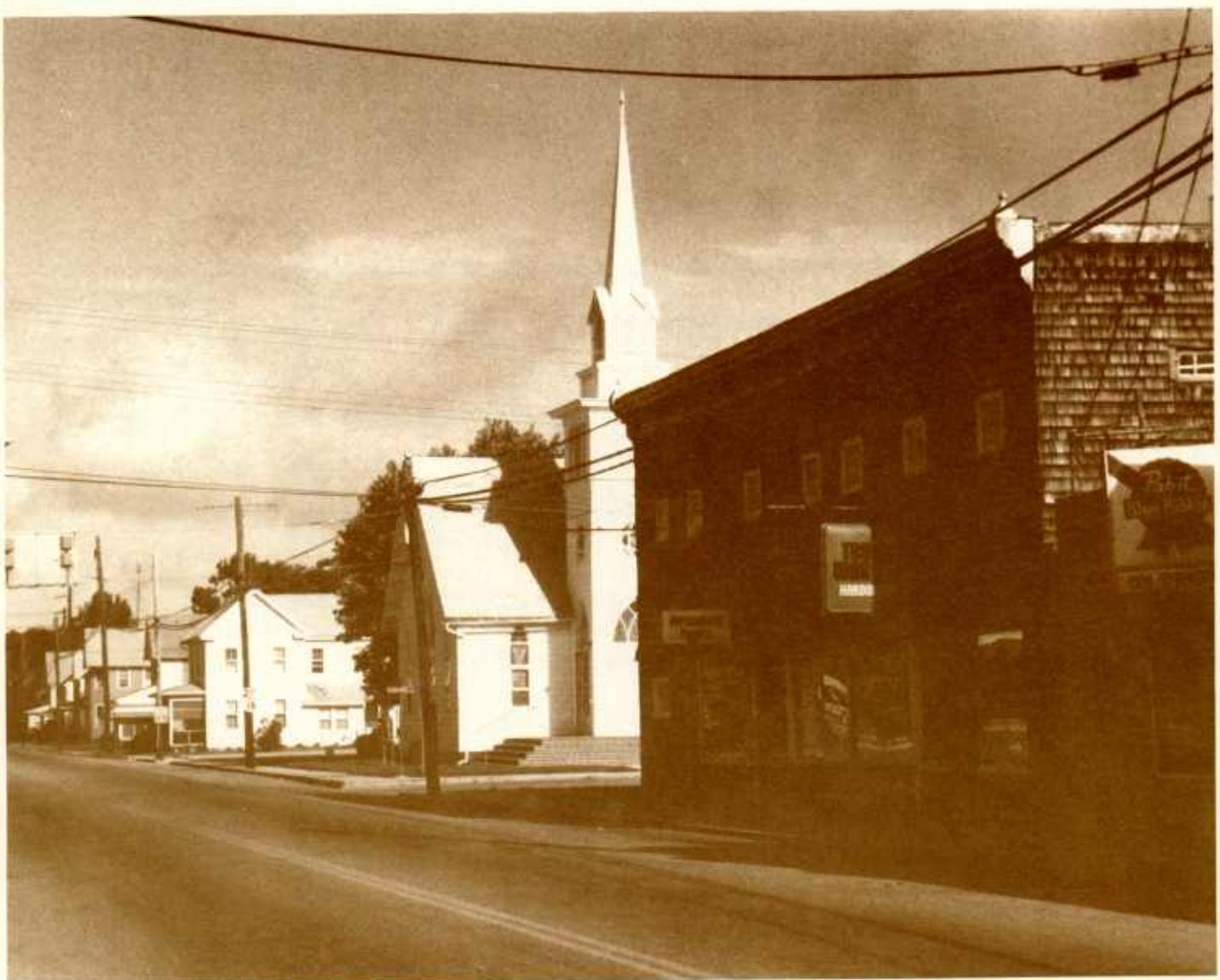
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Political Leaders as Entrepreneurs?

Economic Development in Small Communities

Alvin D. Sokolow
Julie Spezia

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Political Leaders as Entrepreneurs? Economic Development in Small Communities. By Alvin D. Sokolow and Julie Spezia. Agriculture and Rural Economy Division, Economic Research Service, U.S. Department of Agriculture. Rural Development Research Report No. 77.

Abstract

While local government officials are heavily involved in the implementation of rural economic development efforts in rural and other small communities, they are much less represented among the initiators of such projects. A major reason is that elected political leaders generally lack the skills, motivations, and priorities demanded of economic development entrepreneurship. A review of 17 successful cases of smalltown development, which compares project initiators and their actions, suggests several critical differences between local political leadership and entrepreneurship. Elected officials in small towns generally are adverse to risk-taking, easily become preoccupied with routine matters, lack the driving force of political ambition, and accept the preeminence of business people and other leaders in the economic development arena.

Keywords: Local government, small communities, economic development, political leaders.

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Summary

While elected officials and their local governments are heavily involved in the implementation of economic development efforts in rural and other small communities, they are much less inclined to initiate and lead such projects. In large part, this is due to differences between smalltown elected office and economic entrepreneurship in the tasks and styles of leadership.

This study examines the relationship between local political leadership and rural economic development. It is based on a review of published case studies of "successful" projects in 17 communities, fortified by phone interviews with knowledgeable persons involved in the projects. The projects, all initiated in recent years, produced new businesses, added jobs, or brought forth other community benefits. Elected officials--primarily mayors--were the identified project leaders in eight of the cases, while business people or development professionals took the lead in the other nine cases.

The leadership and processes of the 17 economic development projects had these characteristics:

- * An identifiable "leader" in virtually every case who initiated the activity.
- * Random or unplanned actions (such as informal conversations) which originated most projects.
- * Later development of more formal organization, including the creation of new mechanisms--committees, task forces, corporations, and so forth--to implement the detailed aspects of development.
- * Formal local government activity in the implementation of projects, including local funding and grant acquisition.
- * Later conflict and frustrations in some cases, illustrated by community divisions over particular plans, newcomer-oldtimer tensions, and leader burnout.

What motivated the elected officials identified as project initiators in this study to provide leadership to economic development activities? In possessing a mixture of community service attitudes, self-interest, and personal energy, they were not substantially different in motivation from the nongovernmental leaders of projects. Some, however, had a high degree of political ambition, and all were disposed to community change and had an expansionist view of their formal responsibilities.

Judging from other research, these few officials were exceptions to the usual pattern of smalltown development, in which private citizens--primarily business people and organization professionals--initiate projects. The study elaborates on the factors which prevent a closer match between political leadership and economic entrepreneurship, primarily (1) the tendency of elected officials to avoid risk-taking; (2) their heavy workloads and preoccupation with routine matters; and (3) the general absence among smalltown officials of the driving force of political ambition. Also, a widespread view maintains that leadership in rural economic development is best handled by individuals and organizations, which have more flexibility and freedom to act than do elected officials and their local governments.

The study also notes the paucity of generalized understanding about rural economic development processes and outcomes. Research on the topic is dominated by prescriptive materials, single-community cases, and descriptions of unique "success" stories. More systematic and productive research would instead seek out failures as well as successes, examine community variations, and look more closely at leadership, conflicts, goal implementation, and the role of outside assistance.

Political Leaders as Entrepreneurs?

Economic Development in Small Communities

Alvin D. Sokolow
Julie Spezia*

Introduction

Local governments are important actors in the economic development projects of rural and other small communities. The serious work of creating the conditions for attracting new or expanded business activity depends on the public tools and resources that only general-purpose governments--municipalities, counties, and townships--can provide. In numerous communities nationwide, local governments contribute the public services, capital works, land-use controls, access to outside aid, and other public resources which are critical to building a community's economic health.

But these contributions, valuable as they are, are only a part of the local economic development process. All the contributions are essentially implementing activities: they are steps taken to carry out specific goals already decided upon. But, local economic development also has its more creative aspects. It is an entrepreneurial activity, in which new ideas, directions, and strategies are initially brought forward. Successful (and even unsuccessful) projects usually begin with the leadership of one or a few persons. These leaders identify problems, propose solutions, seize opportunities, and involve others. However, judging from popular accounts and the scarce research literature on the subject, few of these initiators come from the ranks of mainstream local government officials. Most are business leaders or professionals in other types of organizations.

Certainly, there is an important leadership function in small-community governments. That implicit function is in the role of elected officials: mayors, supervisors, trustees, councilmembers, and others. Their public purpose is broader than only the management of programs and resources. They are the political leaders of their communities, the legitimate representatives of fellow citizens' values and needs. Such popularly elected officials are expected to take the initiative in their communities. They are expected to identify problems and seek appropriate solutions in public policies and programs. But, they do not do so, as a rule, in matters of economic development, and the leadership in this important sector commonly passes them by.

Why the political role does not generally translate into the leadership of local economic development projects is the topic of this report. The study will examine the relationship between political leadership and entrepreneurship. It will review 17 cases of successful projects in small communities. These cases, drawn from published accounts supplemented by phone interviews with key participants, are divided almost equally between projects in which elected officials were the major initiators and those in which they were not. This exploration, although of largely secondary materials, will reveal some aspects of the local economic development process which deserve further study.

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Entrepreneurs and Political Leaders

Economic development projects in small communities usually start off as the work of one or a few inspired and energetic people. Such people act as entrepreneurs to identify and pursue economic opportunities for their communities. The concept of entrepreneurship originally referred to the creation of individual business enterprises. But, that concept is now increasingly applied to economic development at the community level. In one important study, the authors refer to "macroentrepreneurs." These are leaders who stimulate growth and development by tapping underused resources already existing in a community or brought from elsewhere (Schell and Davig, 1981).

Whether they are individual business people or community leaders, entrepreneurs are creative, original, and innovative (Frederick, 1988; Kent, 1984; Shapero, 1984). Such people are visionaries, looking to the future and seeing possibilities not apparent to others. Most significantly, they are also risk-takers, investing scarce resources to carry out their commitments to particular schemes. They may use unconventional methods and work outside of existing routines, and in this way, entrepreneurs are often distinguished from administrators and managers (Ghiselin; Kent, 1984). But, this does not mean that they are loners and merely idea people. Entrepreneurs need also to build support for their innovations by acquiring resources and developing organizational relationships. Thus, they become brokers of ideas for action, making connections and drawing others into their schemes.

The term "entrepreneurial communities" is used in a study of 16 counties in the rural Midwest that succeeded in maintaining high rates of employment by attracting new firms. The key leaders of economic development projects in these communities were willing "to invest energy and take risks in order to create wealth" (John, Batie, and Norris, 1988, p. 38). Such leaders were called "sparkplugs" in the study sponsored by the National Governors Association. These were people with "a record of unfailing energy and commitment to the economic growth of the community" (p. 48). When new economic prospects appeared, they could mobilize others at short notice to provide expertise and other resources.

The concept of entrepreneurship, however, need not be confined to a description of economic development activity. Entrepreneurship is characterized by innovation, vision, risk-taking, and brokerage, and the term can refer to a variety of other activities undertaken by leaders and organizations in both private and public sectors. Thus, a recent study of public innovation centered on national Government describes the work of "entrepreneurial leaders" (Doig and Hargrove, 1987). Included are such well-known pioneers of public programs as David Lilienthal of the Tennessee Valley Authority, Admiral Hyman Rickover of the Navy, and James Webb of the National Aeronautics and Space Administration. These leaders created new missions and programs, developed supporting constituencies, and changed organizations. They were able to do so, the authors suggest, because of personal characteristics--analytical talent, vision, the desire to make a difference--as well as because of opportunities created for them by external events.

In their national visibility and impact, Lilienthal, Rickover, Webb, and the others described in that study were probably exceptional examples of public sector creativity and innovation. We know relatively little about such traits among the many thousands of far less visible leaders of local governments throughout the Nation. Still, it could be expected that a considerable number of those elected to local office would act in an entrepreneurial fashion. They are political leaders, after all, carrying out the important job of representing fellow citizens. They are supposed to solve public problems by translating local preferences into governmental policies and programs. This implies the obligation and discretion to exercise some degree of creativity, vision, and innovation on behalf of constituents. Political leadership in this view carries with it an underlying promise of entrepreneurship.

Political leadership is widely shared in American communities, since most local governments contain numerous elected posts. Nationwide, we elect almost a half million local officials, most of them members of councils, boards, and

commissions. But, the power and responsibility of leadership rest most heavily on the shoulders of the politicians who are independently elected to chief executive posts: mayors and others. More than the rest, they are supposed to be the entrepreneurs of local government. They are especially so, when resource-acquisition and support-building functions are added to the requirements of creativity, innovation, and vision.

Big-city mayors in particular are assumed to be resourceful innovators. Often they are "strong" executives with budgetary, personnel, and other formal powers. Howitt describes the role: "Head of government, preeminent politician, symbolic leader--a mayor is the focal point of public expectations and hopes" (Howitt, 1987). In theory, expectations, formal powers, and personal incentives combine to bring about innovative behavior in the office of mayor. Ambition plays an important part; mayors are frequently motivated to create new programs by the desire for political advancement, reelection, or recognition. They play to their constituents (Ferman, 1985; Howitt, 1987).

In fact, there is ample evidence of entrepreneurial activity on the part of big-city mayors, much of it applied to economic development work. Prime examples include the major urban renewal projects of the post-World War II period, in which mayors used Federal funds and redevelopment powers to rebuild downtown areas and neighborhoods. While these projects had objectives broader than just economic development, they were the precursors of more focused and recent job- and business-creation efforts. In the 1970's, Mayor William Donald Schaefer of Baltimore personally promoted industrial and commercial development in his city (Berkowitz, 1984). Kevin White of Boston and Joseph Alioto of San Francisco similarly committed personal and organizational resources to economic development projects in their communities (Ferman, 1985). In Battle Creek, Michigan, a medium-sized city, a new mayor--more aggressive than his predecessors--initiated the project to turn an abandoned military base into a municipally owned industrial park (Thompson, 1983).

But, not all big-city mayors are innovators, whether in economic development or other municipal programs. Some are quite passive in their approach to community problems, as suggested in a study of Mayor John Reading of Oakland, California, in the late 1960's (Pressman, 1972). Even chief executives generally predisposed to seeking policy and programmatic change may be quite selective in what projects they undertake. Also, some are concerned about getting credit for visible and quickly appearing accomplishments, and such executives may eschew long-term economic development activities which offer few immediate political payoffs (Howitt, 1987). Entrepreneurship is a highly variable condition. It is more a result of an individual political leader's priorities and personal skills than formal position and powers.

Big-city mayors, of course, operate in a governmental and political environment quite different from that of the great majority of smalltown officials. Organizational resources, political opportunities, and the sense of individual ambition are much more limited in small communities. Still, the model of the entrepreneurial mayor is a useful reference for the following examination of a group of exceptional cases of economic development leadership in small communities.

Political leadership is an expected quality of popularly elected officials everywhere. The key question is how it is applied, or not applied, to different problems and in different communities.

Cases of Economic Development in Small Communities

How are economic development projects initiated in rural and other small communities? Who are the leaders in this process? How do they lead? Answers to these questions will be sought in 17 cases of successful economic development projects in individual communities. In eight of the cases, the project initiators were elected local government officials. Business people and others initiated in the other nine cases.

Methodology

The cases were selected from published accounts of such projects which were reviewed in journals and monographs. We searched primarily for descriptions of successful projects which appeared to be fairly complete histories of origins, events, and participants. (We had to settle for reasonably detailed accounts, since most of the descriptions were short, and few satisfied our standard of a "complete" history.) "Success" was broadly defined to include organized efforts which brought economic benefits to the affected communities, especially new businesses and added jobs. Less directly, we looked for a mixture of economic development situations in terms of community characteristics, project types, and leaders.

The most useful source of cases was Profiles in Rural Economic Development, 1988, a collection of more than 60 "success stories" prepared by the Midwest Research Institute for the Economic Development Administration, in a project headed by Margaret G. Thomas. We relied on the two-page descriptions in this collection for 15 of our 17 cases. Other publications provided the starting point for researching the other two cases.

We followed up the selection and review of the published accounts with phone interviews to fill in information gaps, add data on perceptions and motivations, and provide a more consistent basis for comparative community analysis. We interviewed, between July and October 1988, from one to three key participants (including most of the identified project initiators) or otherwise knowledgeable persons in each of the 17 communities, in phone conversations lasting up to 40 minutes. The appendix contains the questions used in the phone interviews.

Information from the published accounts and the phone interviews form the basis of this analysis. The comparative profiles presented in tables 1-4 summarize the circumstances of each of the 17 cases. The tables are organized according to type of project initiator: elected officials or others. As analyzed further in the following sections, the profiles detail the characteristics of individual communities and projects and describe the project initiators and their actions.

Community and Project Characteristics

The 17 cases are not a statistically representative sample of small communities nationwide. The selection process, relying on available published case studies, precluded such sampling. Although it is somewhat heavily weighed in favor of the Midwest (7 cases) and incorporated municipalities (13 cases), the sample does offer a mixture of community and project types in other respects.

Communities

As tables 1 and 2 show, 15 States are represented in the sample. With one exception, the communities included have a population (1980) range of 3,000-6,000. The one larger community is a county of 85,000 population in Hawaii, where the county government organized a project in an agricultural area. The communities are quite diverse in economic base and social characteristics. Included are farm trade centers, mill towns and small manufacturing centers, bedroom communities, and a couple of tourist areas. Most are incorporated municipalities with small city or village governments. Exceptions include counties in Arizona and Hawaii, a rural township in Pennsylvania, and a tiny unincorporated community in Virginia.

The communities generally were experiencing economic distress at the time projects commenced. Although we have no comparative data on income levels or other quantitative indicators, most places in the sample had high levels of unemployment (in some cases exceeding 20 percent), low family incomes, and declining commercial sectors. A few communities were relatively more prosperous, suffering more from a sense of community stagnation than from absolute economic decline.

Table 1--Community and project characteristics: Leadership by elected officials

Factor	1. Seaford, Delaware	2. Maui County, Hawaii	3. Fruitland, Idaho
Population (1980)	5,500	85,000 (community 6,495)	2,500
Community characteristics	Large nylon processing plant a dominant employer	Island economy dependent on tourism, sugar, and pineapples	Small city near Oregon border with growing economy; previously bedroom community to county seat
Impetus	Plant retooling; job losses	Preserving prime agricultural land	Heard food processor was looking for a cannery site
Activity period	1983-present	1974-84	1985-present
Nature of project	Rural industrial park	Agricultural park for small farmer-tenants	Industrial recruitment
Reported benefits	28 new jobs; 2 new plants; park improvements	29 small farm lots; 80 jobs	200-300 new jobs; tax base increase; lower property taxes; positive attitude
Source of published case study	"A Successful Rural Area Industrial Park...", <u>Profiles 1/</u>	"Development of an Agricultural Park...", <u>Profiles 1/</u>	"Rural Industrial Development...", <u>Profiles 1/</u>

See footnotes at end of table.

Continued--

Table 1--Community and project characteristics: Leadership by elected officials--Continued

Factor	4. Baraga, Michigan	5. Adamsville, Tennessee	6. Guttenberg, Iowa
Population (1980)	1,055	1,486	2,428
Community characteristics	Upper peninsula village on Lake Superior; forest area	Garment industry town in southwestern part of State	Farm-trade center on Mississippi River near timber belt
Impetus	Sawmill in neighboring town destroyed by fire	Closing of garment (350 jobs) and shoe (650 jobs) factories	Factory closing (200 jobs); farm crisis; high unemployment
Activity period	1984-present	1985-present	1981-present
Nature of project	Industrial park expansion	Pilot program for economic development; industrial parks; business recruitment	Industrial park; facade restoration to foster tourism
Reported benefits	48 new jobs; other jobs retained; prospect of more with prison	Numerous new jobs affecting the entire county	New jobs; new small businesses
Source of published case study	"Building a \$900,000 Revolving Loan Fund...", <u>Profiles 1/</u>	"Dramatic Recovery from High Unemployment--A Strong Mayor...", <u>Profiles 1/</u>	"The 'R-spirit' Flourishes," <u>Regeneration 2/</u>

See footnotes at end of table.

Continued--

Table 1--Community and project characteristics: Leadership by elected officials--Continued

Factor	7. Wauzeka, Wisconsin	8. Cross Creek Township, Pennsylvania	9. Cuba, Missouri
Population (1980)	658	1,700	2,120
Community characteristics	Farm trade center in southwestern Wisconsin	Rural township with sheep industry	City in the Ozarks foothills
Impetus	Lack of jobs; declining farm economy	Planning commission became aware of grant	Declining shoe industry; 21-percent jobless
Activity period	1981-present	Late 1970's-present	1984-present
Nature of project	Industrial park; small business expansion	Wool mill	Business recruitment and retention; education; capital improvements
Reported benefits	200 jobs; united community	Two employees with potential of 20	15 new firms; 850 jobs
Source of published case study	"Home-grown Leadership...", <u>National Community Reporter</u> 3/	"A Homegrown Industry Built on Tradition...", <u>Profiles</u> 1/	"Creation of Industrial Jobs to bring a Town...", <u>Profiles</u> 1/

1/ Thomas.

2/ "The R-spirit Flourishes."

3/ Brown.

Table 2--Community and project characteristics: Leadership by others

Factor	10. Blue Mound, Illinois	11. Evansville, Wisconsin	12. Brunswick, Maryland
Population (1980)	1,338	2,835	4,572
Community characteristics	Village in agricultural area	Economy dependent on auto plant and other manufacturers	Historic railroad town in farming area, within DC-Baltimore region
Impetus	Business closures; empty stores	Desire to diversify and revitalize, as identified by study	Business people concerned about deteriorating downtown
Activity period	Early 1980's-present	1977-present	1984-present
Nature of project	Downtown renewal; business assistance	Industrial park; downtown renewal	Main Street program
Reported benefits	New businesses; jobs increased tax income	3 new firms; 125 jobs	New businesses and jobs
Source of published case study	"Revitalization and Renovation...", <u>Profiles 1/</u>	"A Comprehensive Development Strategy...", <u>Profiles 1/</u>	"Central Business District...", <u>Profiles 1/</u>

See footnotes at end of table.

Continued--

Table 2--Community and project characteristics: Leadership by others--Continued

Factor	13. Ivanhoe, Virginia	14. La Paz County, Arizona	15. Helen, Georgia
Population (1980)	600	12,557	365
Community characteristics	Unincorporated town in Appalachians	Desert communities near Colorado River	Mountain town 75 miles northeast of Atlanta
Impetus	Decision by 2 counties to sell land dedicated to local development	Flood and negative tourist publicity	"Ghost town," depressed economy
Activity period	1986-present	1983-present	1969-present
Nature of project	Variety of community development activities	Industrial recruitment; community promotion	Downtown renewal; tourist development
Reported benefits	New jobs pending; nutrition-recreation programs; pride	New manufacturing firm; 30 new jobs; small business starts	1,400 jobs; many new businesses
Source of published case study	"A Gritty Little Community Fights for...", <u>Profiles 1/</u>	"Diversifying From a Tourism Economy...", <u>Profiles 1/</u>	"Bootstrapping: A Small Town's Regensis...", <u>Profiles 1/</u>

See footnotes at end of table.

Continued--

Table 2--Community and project characteristics: Leadership by others--Continued

Factor	16. St. Pauls, North Carolina	17. Delavan, Wisconsin
Population (1980)	2,341	6,000
Community characteristics	Mill town on interstate highway	Bedroom city for industrial area
Impetus	Depressed attitudes; lack of job prospects	Decline of retail businesses
Activity period	1986-89	1986-present
Nature of project	Delicatessen run by students	Clown Hall of Fame; town circus theme
Reported benefits	Successful business employing 15	Commercial growth; new stores
Source of published case study	"Way off Broadway Deli--A Rural School....," <u>Profiles</u> 1/	"The Clown Hall of Fame: Recapturing....," <u>Profiles</u> 1/

1/Thomas.

What conditions stimulate people to act? Economic development activities originate when people identify community-level problems. In some of our cases, the impetus was a specific event or events: plant closings or employment reductions, a natural disaster such as a flood which discouraged tourism, or a decision by an outside government agency to sell a piece of community property. In other cases, project initiators responded to more long-term trends: declining industry, downtown deterioration, depressed local farming conditions, or a sense of forgone economic opportunities. Even in most communities where specific events triggered project activity, conditions underlying the desire for change had been accumulating for some time. Said the mayor of one city:

Ten years ago, diversification started to become a catch word. Every community was starting to realize that you could not depend on one or two industries. Some of us thought we ought to do something, to be proactive, not reactive. (Phone interview, 9/26/88)

New opportunities provided by outside agencies helped in a few cases to bring about local action. Information that a major canning firm was seeking a site in the State spurred to action the mayor of Fruitland, Idaho. Availability of Federal, State, or other outside funds for community study were the stimuli in a few other communities.

Projects

The cases demonstrate that there are many paths to economic development for small communities. While economic diversification was a common objective, some communities attracted one or a few relatively large employers (traditional industrial recruitment), while others relied on more diffused and incremental techniques for job creation. Industrial parks were major projects in eight cases, downtown revitalization was carried out in six communities, and assistance to new or expanding small businesses was a technique used in at least five places. Some of the communities in the sample organized more than one kind of project.

Especially interesting were projects which took advantage of unique local characteristics. Delevan, Wisconsin, tapped into its history as the winter quarters for many circuses and the one-time residence of P.T. Barnum by developing the Clown Hall of Fame. Local leaders, aided by the county extension agent, used the circus theme to attract shoppers and visitors to the downtown area. To counter a perceived overdependence on tourism, Maui County, Hawaii, organized an agricultural park for small farmers. Residents of the Cross Creek Township in Pennsylvania established a woolen mill to use the abundant wool from the area's sheep farms.

Results

Specific economic gains in the form of new jobs and businesses were reported as the result of the projects in at least 15 of the communities. Future economic benefits were expected in several other instances where projects were too new at the time of the published accounts and phone interviews to have produced firm results. Along with the job and business creations were reports of lowered unemployment rates, increased property tax bases, and decreased tax rates. While the new jobs and businesses for the most part were concentrated within municipal boundaries, the benefits also accrued to larger areas, including entire counties.

The momentum from economic development projects in a few cases produced improvements in other areas of community life. These included new community centers, educational programs, park areas, and low-income housing. A less tangible, but still positive, impact of such projects was a frequent boost in community identification and spirit. "Attitudes have changed, and that feeling is contagious," noted one mayor. People who worked on the projects reportedly experienced a renewed enthusiasm about their towns. Such enthusiasm was most apparent in Ivanhoe, the unincorporated Virginia community where previously uninvolved and unorganized residents formed a civic league

in their struggles with county government over the disposition of a parcel of land.

Leaders and Process

We define "leadership" as the initiation of projects. One person was easily identified as the initiator in the great majority of the 17 cases, as tables 3 and 4 indicate. Initiators were not solo actors. Usually, they worked closely with, or were supported by, a small number of other active participants. Still, an initiator stood out as the first leader of a project, the individual who took the first, often tentative and unplanned, steps that led to a more elaborate and organized process involving many others.

Initiators

Six of the eight initiators who held elected public office were the elected chief executives of their local governments: four mayors and two village presidents. The other two were members of collegial bodies--a city councilmember (who later stepped up to the mayor's post) and a member of a Pennsylvania township board of supervisors (who also was the township secretary-treasurer). All but two were part-time local government officials with full-time occupations elsewhere. Represented occupations included housewife, elementary school principal and realtor, corporation executive, insurance salesman, and grants administrator.

Among the nine leaders who were not elected officials, retail merchants were the identified leaders in three communities. Others included a retired teacher, a housewife, and a superintendent of schools. Two initiators in the nonelected group held formal or professional positions in development-related organizations--a county extension agent who worked with small communities on development projects and the executive director of a local chamber of commerce.

Initial Actions

Some projects began in an apparently random or spontaneous manner, with leadership quickly springing forth. During conversation one day during lunch, several businessmen in Helen, Georgia, decided to do something to "save the town," which had been declining as a trade center. Using sketches prepared by a local artist, they and other merchants renovated their storefronts in a Bavarian theme, the first phase in the eventual development of a good-sized tourism economy. In Delavan, Wisconsin, a county extension agent, hearing a comment about a local clown convention, was sufficiently intrigued to investigate the potential of building on the community's circus-related history. A retired teacher in Blue Mound, Illinois, sent letters to 45 other residents of the community, inviting them to a meeting where a planning committee was formed.

The origins of the project in Ivanhoe, Virginia, were similarly unplanned, but the emergence of leadership was less immediate. Residents of the unincorporated community came together in a spontaneous meeting to vent their anger about the decision of the county government to sell off a vacant land parcel that had been left to the community 20 years earlier for industrial development. The 57 persons in attendance agreed to appear as a group at the regular session of the county board of supervisors the following week. But, only two people from Ivanhoe actually showed up at the meeting, both of them uncomfortable and unfamiliar with making speeches to formal public bodies. Prodded by the other, one hesitantly got up to address the board. Expressing the grievances of the bypassed community, her speech caught the attention of the board, made the front page of the county newspaper, gave her the confidence to organize further activities in the tiny community, and eventually got her elected as the first president of the town's civic league.

Informal conversations and gatherings may have been the very first steps, but most projects in the sample soon took a more deliberate direction. Local study groups were organized in some cases. A mayor-appointed committee in Seaford, Delaware, visited development sites in South Carolina as its first

Table 3--People and process: Leadership by elected officials

Factor	1. Seaford, Delaware	2. Maui County, Hawaii	3. Fruitland, Idaho
Identified initiators(s)	Mayor, supported by council majority	Full-time mayor	Mayor, aided by city administrator
Initial action	Mayor-appointed committee visited development projects in South Carolina	Consultant evaluation; purchased 450 acres of farmland with outside and local money	Approached firm seeking relocation with review of 5 sites; direct contact with president of firm
Later actions	City bought 121 acres for industrial park; hired professional developer; financed improvements	Road and water improvements; 31 lots rented to small farmers	Mayor interceded with others--landowner, utilities--to assist relocating firm; \$10 million bond issue for improvements; recall election.
New organizations created	Economic development committee		Committee to examine long-range goals
	4. Baraga, Michigan	5. Adamsville, Tennessee	6. Guttenberg, Iowa
Identified initiator(s)	Village president	Mayor	City council member (later mayor)
Initial actions	40 acres added to industrial park; site prepared and sawmill from neighboring town resettled	Foundation grant supported 3-year pilot project; consultant prepared plan	Formed an economic development committee; planted flowers
Later actions	Additional grants; revolving loan fund; State prison attracted to community	Employed economic development coordinator; established 2 industrial parks; community improvements	Revitalized main street; purchased land for industrial park; tourism development
New organizations created	Area development committee		Council-appointed economic development committee

Table 3--People and process: Leadership by elected officials--Continued

Factor	7. Wauzeka, Wisconsin	8. Cross Creek Township, Pennsylvania	9. Cuba, Missouri
Identified initiator(s)	Village president and others	Township supervisor (1 of 3) and secretary-treasurer	President of industrial corporation
Initial actions	Hired a consultant to work with extension agent and community to form a 5-year plan	Obtained State grant to start small wool mill using products of local sheep industry	Mayor appointed initiator to head industrial corporation
Later actions	Sold shares in development corporation to citizens; established industrial park; recruited firms; Federal Community Development Block Grant	Aid from VISTA volunteer; grant for advertising	Financed new businesses; industrial park; workers skills program
New organizations created	For-profit economic development corporation	Community development corporation to oversee mill and other projects	Industrial development corporation

Table 4--People and process: Leadership by others

Factor	10. Blue Mount, Illinois	11. Evansville, Wisconsin	12. Brunswick, Maryland
Identified initiator(s)	Retired teacher (later mayor)	Teacher and store owner	Antique store owner, other merchants, mayoral candidate
Initial actions	Meeting of citizens; committee formed	City formed a development committee; industrial park completed	Discussions among business owners; recruitment and election of supportive mayor
Later actions	University students prepared development plan; business expansions assisted	Business recruitment; streetscape design; storefronts refurbished	Specialist hired to promote downtown; participation in Main Street program; grants
New organizations created	Development corporation	Economic development committee	City revitalization committee
	13. Ivanhoe, Virginia	14. La Paz County, Arizona	15. Helen, Georgia
Identified initiator(s)	Citizen-housewife	Executive director of area chamber of commerce	Several local business owners
Initial actions	Ad hoc citizens' meeting; speech at county board meeting; series of town meetings	Economic development committee formed within chamber; 4-week seminar on development	Restaurant conversation; storefronts renovated with advice of artist
Later actions	Civic league formed; town reunion; nutrition and other programs; numerous grants	Promotional brochure; grants	Resort development, including golf course and shopping center
New organizations created	Civic league	Industrial development authority	

Continued--

Table 4--People and process: Leadership by others--Continued

Factor	16. St. Pauls, North Carolina	17. Delavan, Wisconsin
Identified initiator(s)	Superintendent of school district	County extension agent
Initial actions	Survey to determine viable enterprise; started deli in vacant store	Discovered local circus history; economic analysis; proposal to city council
Later actions	Courses to train students; deli divested	Promotion of circus history; fundraising; land acquired for Clown Hall of Fame
New organizations created		Nonprofit corporation

major activity and returned with useful ideas. Professionally prepared studies and plans--written by private consultants or university groups--were commissioned by at least eight communities. Some of these studies dealt just with commercial and industrial prospects, while others covered a broader set of community development goals. As well as providing direction for specific actions, the plans in some cases helped to secure community support for economic development projects. One mayor explained:

We hired a consultant to design a community development plan. Based on this, we held many community meetings and worked with a university extension to come up with a 5-year plan. It had specific goals, like resurfacing the main street, as well as more general statements on ideals. The plan was the primary thing that made economic development work here. It built public support. For the first time as a community, we had a chance to write down goals. (Phone interview, 10/18/88)

Later Actions

What the original leaders initiated as simple or straightforward ideas soon turned into more elaborate undertakings. Most projects turned out to be more than quick solutions to immediate problems. Such projects developed into long-term activities, in some cases seemingly permanent enterprises.

Transforming initial ideas into specific actions required funding, expertise, and wider support. Additional leaders and organizations had to be recruited to the cause. Several of the communities constructed industrial parks and other public works to attract new industries, and these involved major outlays. Local governments in at least four of the communities partially financed such improvements, either directly or through their bonding authority, or used private sector loans and Federal or State grants. Support from municipal treasuries--whether for industrial parks or other projects--was not possible in some of the smallest communities in the sample, where city and village governments were relatively impoverished. Instead, grants and some private fundraising drives were the major means of financing.

At least 11 of the sample communities received outside grants in support of their projects. This included sizable amounts from the Federal Community Development Block Grants (CDBG) and Economic Development Administration (EDA) programs. Most individual grants, however, came from State government sources. County governments backed some local projects with funds and staff work. Private foundation support was given in a few cases. When Levi Strauss closed a factory in Adamsville, Tennessee, the community was assisted by a grant from the garment company's foundation for economic development planning.

As well as funding land acquisition and public works improvements for industrial recruitment, the Federal and State funds supported building rehabilitation, historic renovations, small business starts, and planning activity. Revolving loan funds for business assistance and rehabilitation work were created in some communities. The unincorporated community of Ivanhoe alone received grants from 10 different sources, for a variety of economic development and other programs, within a 2-year period. Such successful grantsmanship on the part of small communities may have been remarkable in the early and mid-1980's, a period of Federal aid retrenchment, although State aid programs were expanding at this time. Quite likely, the resourceful efforts displayed by the emerging projects, combined with indicators of community need, were attractive to State and Federal grant allocators.

In these later stages, some of the original leaders dropped out of the projects they had initiated, a development which could be expected in activities which continue for some years. The principal reason was turnover in elected office, as some initiators served out their terms and went on to other pursuits. We would expect also that some original leaders, especially those not holding elected positions, would drop out for reasons such as personal burnout and family or work obligations. Possibly the skills and interests which made them successful initiators would no longer be as useful

in the later, implementing stages of a project. None of these factors showed up in the review of the 17 cases. Such considerations, however, could appear in the near future, since most of the projects were fairly new undertakings (11 had been in existence for 5 or fewer years at the time of the research).

At least 12 of the initiators were still actively involved with the economic development projects at the time of the research. Several had changed positions since their initial activities. Two who had started off as citizen leaders later joined their municipal governments, one as the elected mayor and the other as the first appointed economic development coordinator. A third leader who had been a member of the council at the time of the first activity later moved up to the office of mayor. Another initiator who was village president later left elected office but retained his involvement in economic development work as one of the organizers of an area development commission.

New Organizations

Individual leaders may come and go, but continuity can be maintained through organizations formed for specific economic development purposes. We see this in 14 of the sample communities. While a few groups were formed in the initial stages of projects as study committees with the assignment to explore development prospects, most came into existence at a later point and were given ongoing responsibilities.

These new groups varied in composition, degree of formalization, and relationship to local government. Some were committees of local leaders appointed by elected officials to serve as the economic development arm of local government. Others had a more independent status as nonprofit or for-profit corporations with the authority to raise funds to develop industrial parks and help businesses. The corporation in Wauzeka, Wisconsin, raised the capital to purchase 90 acres for an industrial park by selling 2,800 shares of stock to local residents. In the case of Baraga, Michigan, the organization formed was a county area development committee. After the village government successfully recruited a sawmill by adding to its industrial park, the village president and other local leaders turned to the rural county as the logical locus for further activity:

Once we finished with our project, we just kept going. The county is so small with just our village and one other. The county government did not have an administrator, and it never was able to follow through on economic development. (Phone conversation, 9/11/88)

The economic development committees were generally more democratic and representative of local populations than the boards which governed the development corporations. A few of the committees had broader community development objectives than just job and business creation. Most evident in this regard was the civic league organized in Ivanhoe, Virginia, which became virtually a mechanism for self-government in this unincorporated community. In 2 years of operation, the league sponsored community events, started nutrition and literacy programs, secured grants for a community building, and planned to establish a new park, as well providing a contrast to the county government. The leaders of an industrial park and business expansion project in Wauzeka, Wisconsin, obtained considerable public participation through public hearings and the sale of stock to local citizens.

Conflicts and Frustrations

Accounts of successful economic development projects often overlook the tensions and controversies that are bound to occur when leaders seek to change their small communities. Our superficial examination of the 17 cases found some evidence of such natural slips in the processes leading to successful projects; a deeper examination of interactions in these cases undoubtedly would reveal much more.

Project initiators and their allies inevitably encountered political and economic resistance to their plans. One leader attributed this to "petty jealousies and personality conflicts," but more basic differences in values

and policies can also be at issue. Economic development plans in at least two towns reflected an underlying division between newcomers and long-term residents over the desirability of change.

Some of the elected officials who were project initiators faced political risks. Strong opposition surfaced in one community over a proposal to institute zoning as part of the development plan. "I almost got thrown out of town on that one," explained the village president. The mayor in another community was threatened with recall because of his industrial recruitment activities; however, he survived the election, and his two opponents on the city council were recalled. In still another community, all incumbent aldermen who supported a nationally recognized project were defeated in the following election.

The initial enthusiasm of project leaders may turn to burnout and frustration if others fail to join in to share some of the work. This often happens in very small places composed largely of inactive residents, where the pool of actual or potential leaders is limited. Ivanhoe, the tiny unincorporated Virginia town with the active civic league, does not fit this picture. But, in another small town in the research sample, the overworked initiator of a project expressed frustration at the lack of support from neighbors:

There are so many good people who won't get involved....Many of them are retired mine and mill workers. They probably worked hard then, but now they will not volunteer for anything. The fire department just built a new firehouse. Lots of people watched the construction every day, but no one volunteered their time to help. The department eventually had to float a loan to pay for some of the costs. (Phone interview, 12/12/88)

Comparing Elected and Nonelected Leaders

In this section, we will explore further the relationship between political leadership and entrepreneurship, and compare more closely the two groups of initiators, the elected officials and the others. We will seek answers to some questions. Do we find that elected leaders approach the task of economic development differently from nonelected initiators, when we review their motives and actions? Such leaders have formal responsibilities and powers not available to other citizens. They control public funds and other organizational resources of their governments, and they have the power of representing and acting for others. How were these powers of elected office used for economic development projects?

Motivations and Perceptions

Clearly, our economic development leaders were exceptional citizens. Mostly part-time elected officials or private individuals acting as volunteers, they devoted many hours to the job of initiating and following through on projects. Surely, the time and energy could have profited them more on more personal pursuits. Elected officials could have emphasized other priorities among the many policy areas and functions of local government. What motivated these leaders to get so involved in taking on the leadership of economic development projects?

Often these men and women felt a concern for the economic well-being of their respective communities. But, no dominant answer emerged from the spotty responses to this question in the phone interviews when we inquired into more personal perspectives. Community service, self-interest, and natural energy looking for an outlet were among the motives. These factors were combined in various ways, as these comments suggest:

I saw the town closing up. I was just an interested citizen who didn't want to see my town die. (Phone interview, 9/26/88)

I love this town. It is easy to badmouth what others are doing. It is harder to get involved. (Phone interview, 10/6/88)

It all started with failure. I was on the city council and ran for mayor and lost. I was looking for something to do. Someone suggested that we form an economic development committee and that I chair it. (Phone interview, 10/6/88)

One important difference separated the elected officials from the other initiators. For four of the elected officials, political ambition played a part in stimulating the leadership of projects. These four were activists eager to use their offices to bring about community change and were looking for a chance to engage in major innovations. At least two were recent arrivals in town (one returning to his home community after education and work, brimming over with energy and ideas learned elsewhere). Economic development projects, offering the prospect of dramatically improving community and individual citizen conditions, provided the opportunity to accomplish a great deal for the public benefit and thus earn community gratitude and support for other activities. Other initiators may have seen success in local government as a stepping stone to higher political office. Indeed, two of the leaders who were local elected officials later ran for State legislative positions--both unsuccessfully--although it is not clear whether the interest in higher office developed during or before their local government service. Another elected official, active in State political party work and a delegate to her party's national nominating convention, expressed an interest in seeking statewide office.

However, ambition was not implicit in the motivations of the other four elected officials in the sample. Along with a sense of obligation inherent in holding public office, devotion to community was apparently the major factor causing them to jump into the development projects. Two commented on the "satisfaction" of doing something for their neighbors and friends. Such officials generally had long records of community activity beginning before, and continuing after, their election to public office. Leadership in the economic development area, they perceived, was largely a continuation of normal community service. One leader, who received a "grassroots leadership" award from the National Association of Towns and Townships, was concurrently an elder of her church, secretary of a local grange and of a public library center, president of a local women's political club, and chairman of the regional planning commission.

In their devotion to community service, half of the elected officials were not very different from half or more of the nonelected initiators. Community service was a prevailing, if underplayed, motive in the actions of most project leaders. To be sure, there were other motivating factors as well among the nonelected citizens. "Positive rage," directed to the actions of county government, was a reason given by one leader. Another referred to the personal "challenge" presented by the opportunity to take on a major project. Occupational and professional incentives were obviously implicit in the activities of three nonelected leaders: a cooperative extension agent, the executive director of an area chamber of commerce, and a school superintendent. They initiated projects in the course of their jobs, yet the innovations so introduced went beyond the normal run of assignments.

Economic self-interest cannot be entirely dismissed, since a number of nonelected initiators (as well as several elected officials) were local merchants or owners of other businesses who obviously stood to profit, directly or indirectly, from added jobs and other economic gains in their communities. We have no evidence, however, to indicate that this was a dominant motivation for any one initiator. In any case, it is difficult to distinguish between self-interest and service in small towns where communitywide change and individual circumstances are so closely interrelated.

Responsibility and Risk-Taking

That local elected officials have a special responsibility for helping to boost the economies of their communities was a view expressed by some initiators. "The mayor can do things other citizens can't," one official said. Others said that extensive knowledge of the community and the representation of other citizens made such elected leaders uniquely equipped

to lead in the economic development area. In some communities, it was a matter of filling a leadership vacuum created by the absence or inactivity of other organizations, as one mayor noted:

Yes, it (economic development) is my responsibility. The people in the chamber of commerce are volunteers with their own businesses. They don't have the time. Somebody has to head it up. Economic development, especially for a small community, is very important. (Phone interview, 9/15/88)

Such views compelled some elected officials to act in a decidedly entrepreneurial fashion. They saw the developmental potential of certain community features and were willing to take risks. "You have to have some kind of vision for the community, where it will be in 10 or 15 years," one mayor explained. The risk was most evident in local government commitments of money and other resources in the early stages of projects.

We were successful because the council put up the money (from a loan and city reserves) for the industrial park. If this had fallen flat, the elected officials would have had to answer for it. But, they all felt they had to do something. (Phone interview, 9/19/88)

Another elected official also stressed the necessity of risking municipal funds:

You have to prepare in advance. A business can't wait for you to extend the water and sewer. The village took a risk and spent a lot of money. You have to have a plan and then implement it. There is a lot of competition, so it isn't enough to have a cornfield and to talk about rural development. (Phone interview, 10/5/88)

Limits on the Role of Local Government

Not all initiators who held elected office, however, were willing or able to commit their local governments to spending funds or taking other actions to implement projects. Strategic considerations or the small and inflexible budgets of local governments were responsible for these omissions. Whatever risks were inherent in these projects, these risks were passed on to private sector organizations, including voluntary citizen groups.

Basically, there were differences of opinion among elected and nonelected leaders alike about the appropriateness of having local governments implement projects. The differences were most apparent in the kinds of organizations formed specifically for economic development purposes. As committees appointed and controlled by elected officials, some were primarily extensions of local governments. Others were established as separate development corporations with governing boards acting largely independently of local government influence. Six such corporations were formed in the sample communities, three each in communities with and without elected officials as project initiators.

The underlying reason for keeping industrial park and other project responsibilities separate from local governments (and from mainstream business organizations, in some cases) was to pursue economic development as a single-minded and specialized activity. The president of one industrial development corporation believed that his board had more freedom to act than elected officials:

Anyone involved in economic development should not become political or run for elected office. We were recognized nationally as an economic success, yet none of the city aldermen survived the next election. If you were the mayor, you couldn't say some of the things that have to be said and survive politically. (Phone interview, 10/4/88)

A contrary view, expressed in another city, was that elected officials needed to control the implementation of projects in order to make them compatible with other policies and programs:

By ownership (of an industrial park) the city has flexibility. We have a tight set of covenants on the park. We want good, clean industry. We turned down one company because they would have created too much pollution. There is a residential area not too far from the park. (Phone interview, 9/26/88)

This suggests that the initiating and implementing roles in smalltown economic development are distinct and can be carried out by different actors and organizations. When elected officials originate projects, they do not necessarily turn to their own governments for the resources and means of implementation. Likewise, projects which start out as the initiatives of private citizens can later become governmental responsibilities.

How Much Democracy?

As well as having the authority to apply government funds and other public tools, elected officials in small communities also bring to economic development work their representation of all citizens in the community, another unique attribute of political leadership. Presumably, then, they are more likely to approach the organization of development projects in a democratic and citizen-oriented fashion than are leaders without the obligation and authority of political office.

Some elected initiators did seek widespread community participation in their economic development projects through the formation of citizen committees, town meetings, and other devices. Yet other elected officials were opposed to involving many others in their projects, preferring to avoid complications and move as expeditiously as possible. Opening up plans and proposals to widespread scrutiny, in this view, would have been counterproductive to accomplishing their objectives, particularly the recruitment of new businesses.

The two most extreme examples of open and closed leadership processes in our sample, in fact, were cases in which the initiators were an elected official and a nonelected citizen, respectively. The mayor, in the first case, assisted only by the city administrator and by periodic checks with the council, essentially completed the project--a successful industrial recruitment--by himself. He purposely avoided the creation of a citizens' committee and instead devoted his energies to getting a landowner to lower his price and to overcoming procedural obstacles:

I made sure that the red tape and bureaucracy were eliminated. Sometimes we get too hung up on zoning, rules, and regulations. You have to ask yourself--what is the final outcome for the community, good or bad? If it's good, then maybe we can make a few variances. (Phone interview, 9/16/88)

In the second case, the most democratic example of project initiation and implementation, the impetus came from the rank-and-file citizen leadership in the unincorporated community of Ivanhoe, Virginia. Here, the newly formed civic league, with a sizable membership of local residents, organized a series of town events and programs which attracted many participants and also pursued a strategy of grantsmanship and business encouragement.

The objectives of the two projects differed: the recruitment of a specific business in the first case and the broader goal of building community institutions in the second. The two called for different leadership strategies: quick action and the brokering of resources in the first instance and citizen participation in the second. We cannot infer from this limited comparison that elected leaders are less likely than private citizens to follow democratic strategies. What is suggested, however, is that elected leaders in the pursuit of community improvements are not necessarily confined to the specific tools of their public office. Nor are some of these tools

unavailable to others, especially the ability to represent and organize citizens for purposive action.

Why Few Political Leaders are Economic Development Entrepreneurs

More similarities than differences characterized the elected officials and nonelected citizens identified in this study as initiators of smalltown economic development projects. All operated as entrepreneurs, to one degree or another. They acted in creative and risky ways to initiate bold new ventures for their communities.

The 17 cases varied in goals, strategies, and types of projects undertaken but not in ways that distinguished between the elected officials and the other initiators. The former were not more likely than the latter to adopt strategies emphasizing citizen participation nor to use local governments to implement projects. About the only unique aspect of political leadership which we can single out in this study as possibly related to economic development activity was the political ambition that in part motivated half of the elected officials to become project initiators.

Why the eight elected officials identified in this study as project initiators willingly took on this role cannot be explained by any particular attribute of local elected office. The motivating factors, rather, were specific to personalities, opportunities, and individual community circumstances. The formal obligations and responsibilities of public office played a limited part. More generally, the elected officials saw themselves as acting in the capacity of citizens who were also community leaders, as did most of the other project initiators.

Our conclusion from this exploratory study was that the elements of political leadership in small communities do not closely match the demands of entrepreneurship in economic development work. This is the implication of surveys and other studies which note that leadership in this area comes primarily from private sector actors (John, Batie, and Norris, 1988; McGowan and Stevens, 1983). Our eight project initiators who were elected officials were then exceptions to the general pattern.

Why is there not a greater affinity between local political leadership and economic development entrepreneurship? At least three aspects of political leadership help explain the gap. Elected officials in small communities generally (1) are averse to risk-taking in their public duties, (2) are preoccupied with more routine matters, and (3) lack the driving force of political ambition. Furthermore, they often find--and accept--the preeminence of other community leaders and organizations in the economic development area.

Risk-Taking and Political Leaders

Risk-taking is not a natural attribute of local governments and their leaders (Shapiro, 1984). Subject to a high degree of public scrutiny and challenge, and needing to defend their actions before constituents, local elected officials tend to be cautious in dealing with new ideas and plans. Especially in small communities, where the relationship between officials and constituents is a relatively personal one, political leadership is more a matter of responding to expressed needs and demands than of promoting innovations (Sokolow, 1982). Smalltown officials hesitate to get too far out in front of their neighbors; there is political comfort in keeping to routine issues and the housekeeping functions of government.

At least two aspects of the initiation of local economic development projects make this a relatively risky endeavor for elected officials. One is the length of time it takes for many economic development projects to come to fruition. Political leaders prefer more immediate payoffs, certainly occurring during their tenure in office (Howitt, 1987). The second factor is that economic development innovations, which promise to bring growth and other

changes, can easily generate community conflicts, an unappealing prospect for most elected officials.

The several elected officials in the case study sample who were project initiators understood well the risks but were willing to take the gamble. As visible leaders, several became the subjects of criticism and electoral attacks. A strategy of bypassing or minimizing political risk was taken by nonelected initiators in one community who recognized the probable opposition of elected officials but wanted to recruit them to their cause.

Heavy Workloads

Smalltown elected officials certainly have more than enough to keep them occupied without taking on major economic development responsibilities. They carry heavy workloads, and this is another reason for staying clear of the demanding tasks of project leadership. The great majority of mayors and councilmembers in small communities are part-time officials. In practice, many devote considerably more hours to their public duties than the part-time status would suggest. Without professional administrators or sizable staffs, most small local governments are administered by their elected officials. Mayors and councilmembers thus have multiple responsibilities, serving as managers of programs as well as representatives and policymakers (Sokolow, 1984).

Some surveys suggest that smalltown officials place a high priority on economic growth for their communities (Matlock and Peterson, 1987; McGowan and Stevens, 1983; Russo, Waltzer and Gump, 1987). It is far easier for political leaders to express support for economic development activities than to translate such sentiments into personal commitments and actions.

Limited Personal Ambition

Even if such enterprise is risky for many elected officials, the leadership of major economic development projects offers the possibility for at least a few to help satisfy their political ambitions, as we have seen. With success, they can point to a record of accomplishing good works for the community as a means of building a constituency for higher office. A further advantage of economic development work for the ambitious local official is the honing of entrepreneurial and other skills which can be useful in other political arenas.

Political ambition, however, is generally a scarce commodity among smalltown officials. Put simply, there are far too few offices at higher levels of American government to entice more than a tiny number of the several hundred thousand officeholders who serve in local government nationwide, most in small communities. The more common incentives for seeking and holding elective office, instead, involve several variations on the desire to serve one's community (Sokolow, 1989).

This means that few smalltown officials are looking for the one or two big projects by which to score major political points. Some may have personal agendas, goals to be accomplished before leaving public office. But, the goals tend to be relatively modest ones, such as more efficient governmental programs, revamped procedures and ordinances, and street improvements. Relatively few smalltown officials take office with the intention of promoting long-term community building efforts.

Other Organizations

Even if they wanted to take a more active part in the leadership of economic development projects, some elected officials would find the territory already dominated by other leaders and organizations. Businessmen, bankers, development professionals, and other private sector actors are more typically the prime initiators of projects than are government officials. Community development organizations, varying in the formality of their relationship to local governments, are widely used to promote and coordinate local projects. By one estimate, there are 15,000 such organizations throughout the Nation

(Rubin, 1986). Some are regional planning and development agencies, which offer their expertise to rural communities within their areas.

Indeed, one view expressed in the literature on economic development--a view also echoed by a few of the initiators in the case studies we reviewed--is that political leaders are not the appropriate persons to take charge of projects. Since they are often hindered by procedural and political requirements, they are not able to act quickly enough to take advantage of economic opportunities. Thus political leaders are best confined to a supporting role, with the key entrepreneurial activities left to those more familiar with the business world (John, Batie, and Norris, 1988; Thompson, 1983). As visualized in one study, that support role is largely one of assisting private interests to make locational decisions by providing a "stable and predictable environment for the creation of a new plant or facility" (Bachtel and Molnar, 1980).

The hesitancy of political leaders in the mainstream work of economic development seems to apply primarily to industrial recruitment projects. We may ask if political leadership is more suited to the job of directing other kinds of projects, smaller in scale, which do not depend on negotiations with outside corporations as the central activity. Efforts to stimulate small enterprises by working largely with friends and neighbors, for example, may match more closely the leadership skills of elected officials (Stark, 1987; Weinberg, 1987). However, we have no evidence from the 17 cases surveyed that elected officials are more inclined to initiate certain kinds of projects than others. An extensive study of a larger and more representative sample of small-community cases could very well lead to such findings.

A Final Note: Researching Economic Development in Small Communities

What we know about the hows and whys of economic development in rural and other small communities is minimal, despite a proliferating literature on the subject. There are good reasons for desiring a better understanding of the process, besides a basic intellectual curiosity about community dynamics. Foremost is the practical necessity to know more about the kinds of results that given strategies and forms of community organization are likely to produce and how these linkages vary from one community to another and over time within individual localities. In the absence of such understandings, national and State policies which determine funding and other priorities for rural development purposes operate largely in the dark. Much the same point can be made for the "frontline" people who work in this area, community leaders and the professionals who provide assistance, such as extension specialists and development experts.

Rural development is rarely examined systematically and empirically as a process involving the interaction of individual leaders and organizations. Some studies do present useful ideas and generalizations. But such studies are overshadowed by the inherent weaknesses of the two kinds of published works which dominate the field: prescriptions on "how to do" economic development, and single-community case studies. The prescriptions assume that there are standard principles and practices which are readily applicable to all situations. Likewise, the isolated case studies proceed as if the "lessons" they impart can be broadly generalized. Both approaches lack a full appreciation of the varied landscape of smalltown America. Their findings, which often reflect only common sense, fail to dig into the complexities which even small communities possess.

Still, local economic development is not composed of largely random events. There are regularities; there are patterns which can help explain relative successes and failures. Also, to sort out the complexities of local situations is to examine differences among communities and situations, not merely to search for common features. The productive research strategy looks for such patterns, which show how local conditions, perceptions, motivations, and events are related in individual communities and between communities.

Our comparative study of 17 projects in small communities tries to trace out such relationships. But, based as they are on secondary sources--short, individually prepared cases, supplemented by a few phone interviews--the findings lack the depth and comprehensiveness which more systematic research could produce. Nevertheless, they do suggest the following key questions about economic development processes.

1. Who leads and why? Leadership in economic development matters can be understood only in the context of both personal incentives and community conditions. Smalltown citizens do not compete with one another for the privilege of initiating projects. Few step forward, as the review of the 17 cases indicates. That most of these are volunteers, not professionals in public or private agencies, points out the elusive character of leadership in this area.

2. How do leaders overcome adversity? Most published case studies of rural economic development lack sufficient detail to show the relationship of leadership to later activities and especially fail to show how opposition and other obstacles are overcome as projects develop. In straining to present success stories, they gloss over whatever conflicts and frustrations occur. Realism requires that such cases provide a careful look at all sides of the sequence of events and personal interactions.

3. How are goals implemented? We need to know more about the transformation of goals into concrete activity. But, some successful smalltown projects do not originate from written and comprehensive plans. Conventional wisdom aside, not all economic development activities proceed according to articulated goals. Without formal plans, are projects less likely to succeed?

4. What strategies work under what circumstances? Among all types of projects selected (industrial recruitment, small business stimulation, local cooperatives, and so forth) and methods used (development corporations, citizen participation, and so forth), economic development efforts vary widely. Why some strategies are selected rather than others in certain situations or by particular leaders, and what may be the comparative impacts of different kinds of projects and methods, are questions that are largely unanswered in the literature. We suspect that there is a causal link between objective and method, that a certain kind of project or set of desired results calls for a particular strategy rather than another. Strategies which emphasize widespread citizen involvement do not seem to work effectively for certain kinds of projects and objectives, as several of the cases included in this study suggest.

5. How is outside assistance most effectively employed? Rural economic development is inherently a local process, primarily dependent on the will and energy of community leaders. Yet, as our cases also show, outside assistance is also frequently present. While the benefits of Federal and State funds are obvious, we lack a good understanding of how and when other forms of outside assistance--primarily information and technical aid--are best used. It is, however, apparent that effective intervention strategies employed by cooperative extension specialists and other assistance providers have to be sensitive to local circumstances. Small communities vary greatly in resources and skill; the outside help which can profit some communities and leaders may be irrelevant or even counterproductive elsewhere.

6. What about "failure" stories? Case studies tend to point out exceptional success stories. By definition, then, there must be many more unexceptional small communities in the country, towns lacking a record of economic development activity or with a record of starting projects which achieved minimal or no benefits. Only by comparing the successes with the failures can we pin down a basic understanding of the ingredients of success.

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Strategies used by "entrepreneurial leaders," as revealed in the biographies of several well-known innovators (David Lilienthal, Gifford Pinchot, Admiral Hyman Rickover, and others) in the executive branch of the U.S. Government. Key aspects of the personality and skill of such leaders include the capacity to engage in systematic rational analysis, the ability to see new possibilities in a situation, and the desire to make a difference.

Felbinger, Claire L. "Economic Development or Economic Disaster? Joliet, Illinois." In Urban Economic Development. Ed. Richard D. Bingham and John P. Blair. Urban Affairs Annual Reviews 27. Beverly Hills, CA: Sage Publications, 1984.

A study of a medium-sized (77,000 population) city, which shows the effects of both external (strikes, aging plants, market problems) and internal (city government attitudes) forces on local economic distress. Especially noted is the absence of proactive government leadership on economic development matters. Political leaders were resistant to working with industry to renovate plants and retain jobs, reflecting longstanding antagonisms, broader community sentiments, and protection of the status quo. The article contains a general commentary on the role of local government in facilitating economic development.

Ferman, Barbara. Governing the Ungovernable City: Political Skills, Leadership, and the Modern Mayor. Philadelphia, PA: Temple University Press, 1985.

A comparison of mayoral leadership during the 1970's in Boston and San Francisco. Factors which contribute to strong executive leadership are explored. Mayoral power in the two cities is compared according to political skills, political culture, and the characteristics of the political system. Some examples of leadership in economic development projects are used.

Frederick, Martha. "Directions in Rural Entrepreneurship: Insights Gained from a Review of the Literature." Paper presented at the 1988 meeting of the Southern Regional Science Association in Morgantown, WV, April 14-16, 1988.

This paper applies the concept of entrepreneurship to rural economic development. Twelve attributes of environments conducive

to entrepreneurship are listed, followed by a discussion of the elements of rural infrastructure.

Ghiselin, Bernie. "Leadership Development: The Need and Response." In Community Leadership Development: Present and Future. Regional Center for Rural Development, National Extension Task Force for Community Leadership, University Park, PA, n.d.

A comparison of leaders and managers which notes that the "great enemy of leadership is specialization".

Hibbard, Michael. "Reversing Economic Decline: State Policy and Local Politics in Oregon." Paper presented at the National Conference of the American Society for Public Administration, Anaheim, CA, April 13-16, 1986.

Hibbard examines the "fatal flaw" in an otherwise exciting local development program in Oregon--the absence of "development catalysts." These people help interpret programs for local folks. "In addition to cultivating financial and technical resources, the development catalyst seeks to create a sense of community efficacy and an analytical understanding of the economic, social, and political environment the community is operating in."

Howitt, Arnold M. "Mayors and Policy Innovation." Paper presented at the annual meeting of the American Political Science Association, Washington, DC, September 1-4, 1987.

An examination of the motivations and limits of policy innovation on the part of municipal mayors (nearly all in big cities). The political costs and benefits of mayoral innovation are described, especially those which are affected by the timing of projects.

John, Dewitt, Sandra S. Batie, and Kim Norris. Brighter Future for Rural America? Strategies for Communities and States. National Governors Association, Washington, DC, 1988.

A report on how State governments can contribute to prosperity in their rural areas. Chapter 3 is an examination of local strategies, based on a study of 16 high growth (new business) creations in the midwestern farm belt. The findings identify "eight keys to success," several of which deal with the actions of local leaders. The appropriate role of local government officials is characterized as being "supportive" of business leaders and others.

Kent, Calvin A. "The Rediscovery of the Entrepreneur." In The Environment for Entrepreneurship. Ed. Calvin A. Kent. Lexington, MA: D.C. Heath and Company, 1984.

Economists have not always been clear on the concept of entrepreneurship. Reviewing the ideas of several major writers, the articles note a common view of the entrepreneur as an instigator of change.

Lawrence, Kathleen. "Changing Rural Landscapes: It's Time for Coalition Building." Choices 2: 4-7, 1987.

The answer to rural development problems lies within the communities themselves, in the human infrastructure. Local governments are best suited to tackle rural development, but they lack the fiscal resources to undertake the task. Lawrence suggests a coalition of local, State, and Federal governments working with the private sector to achieve economic development.

Malizia, Emil E., and Sarah Rubin. "A Grass Roots Development Strategy with Local Development Organizations." Rural Development Perspectives 1 (3): 7-13, 1985.

A review of the experiences of local development organizations in small cities and rural areas, which makes the case for greater State government support for local development organizations (LDO's). Several examples are given of how LDO's can stimulate small enterprises which build on resources already in the community.

Matlock, Linda McGregor, and Douglas D. Peterson. The State of the Small City: A Survey of the Nation's Cities and Towns Under 50,000. The National League of Cities, Washington, DC, 1987.

A survey of small city problems, as reported for a sample of 395 responding cities and towns. The top problem identified by many was lack of "the ability to attract industry and jobs."

McGowan, Robert P, and John M. Stevens. "Local Government Initiatives in a Climate of Uncertainty." Public Administration Review 43 (2): 127-136, 1983.

An examination of measures taken by local governments to deal with changes in Federal-State-local relations, based on a survey of managers and mayors of 90 Pennsylvania municipalities. The local officials tended to be passive in their policy actions, innovating mainly under conditions of "extreme revenue abundance or deprivation." The study includes several findings which relate to economic development programs. Economic development was seen as belonging at the community level, with the focus on private sector initiatives.

Miller, James P. "Rethinking Small Businesses as the Best Way to Create Rural Jobs." Rural Development Perspectives 1 (2): 9-12, 1985.

Some recent data may temper the enthusiasm for a strictly small-scale approach to rural economic development. Affiliates of large corporations create most new jobs. Independent firms create fewer permanent jobs than affiliated firms. Small independent firms create many jobs when new, but high failure rates and low job expansion lead to net losses after 5 years. Large independent firms create fewer jobs, but they are more stable, and they account for fewer plant closures and layoffs.

Murphy, Russell D. "The Mayoralty and the Democratic Creed: The Evolution of an Ideology and an Institution." Urban Affairs Quarterly 22 (1): 3-23, 1986.

This historical review of the development of the "strong" mayor in American local government highlights ambiguities in how the office is supposed to enhance democratic control.

Pressman, Jeffrey L. "Preconditions of Mayoral Leadership." American Political Science Review 66 (2): 511-524, 1972.

An analysis of "weak" mayoral leadership in Oakland, CA, in the late 1960's.

"The R-Spirit Flourishes." Regeneration (Mar.-Apr.): p. 50, 1988.

Reid, J. Norman. "Development Strategies for Rural Areas." Paper presented at the Fifth Annual Conference of the Virginia Economic Developers Association on "Virginia's Position in the Global Economy," Fredericksburg, VA, Sept. 11, 1987.

Self-development is suggested as the most plausible way to improve the rural economic climate, since this strategy maximizes the human capital already available to rural communities. Reid argues that, while the State should have an increased role in rural development, the primary role should be reserved for regional agencies. Regional agencies can pool resources while maintaining the decisionmaking authority at a more local level.

_____. "Increasing the Effectiveness of Local Government Institutions." Paper prepared for presentation at the symposium on "The Great Plains of the Future," Denver, CO, Nov. 4, 1987.

A self-development strategy offers improvements that include more equitable income levels and distribution, better health, more opportunities for self-actualization, better quality environment, and a more constructive community life. Local politicians might be reluctant to embrace self-development because the results are slow in coming, and successes may not come during their term of office.

Rubin, Herbert J. "Local Economic Development Organizations and the Activities of Small Cities in Encouraging Economic Growth." Policy Studies Journal 14 (3): 363-388, 1986.

A study of local development organizations which finds that communities with LDO's experience an increase in economic development activities. Variations in LDO forms (not-for-profits, commissions, chambers of commerce, and the like) and relationships to local conditions are examined.

Russo, Philip A., Jr., Herbert Waltzer, and W. Robert Gump. "Rural Local Government Management and the New Federalism: Local Attitudes in Southwestern Ohio." Publius: The Journal of Federalism 17 (4): 147-159, 1987.

A survey of technical assistance needs, as reported by elected and appointed officials in a sample of Ohio small cities, villages, and townships. Respondents tended to emphasize general policy and management issues more than specific service delivery items. Assistance in economic development matters was ranked as the top item by city and village councilmembers.

Schell, Douglas W., and William Davig. "The Community Infrastructure of Entrepreneurship: A Sociopolitical Analysis." In Frontiers of Entrepreneurship Research. Ed. Karl H. Vesper. Babson Center for Entrepreneurial Studies, Babson Park, PA, 1981.

A study of entrepreneurship in Alabama counties which notes the role of "macroentrepreneurs," leaders who exploit underutilized resources at the community level.

Shapero, Albert. "The Entrepreneurial Event." In The Environment for Entrepreneurship. Ed. Calvin A. Kent. Lexington, MA: D.C. Heath and Co., 1984.

A description of how the environment influences entrepreneurship. "The primary effect of the political-legislative-administrative environment on entrepreneurship is negative." But, "There is an area that lies between the economic and political elements in the environment. Public bodies can make public resources available to entrepreneurs and potential entrepreneurs." Entrepreneurs are an asset to a rural community since they can help rural economies diversify and become dynamic.

Snaveley, Keith, and Alvin D. Sokolow. "Who Advises the Council? Sources of Advice in Smalltown Governments." Rural Development Perspectives 3 (2): 25-29, 1987.

With small staffs and lacking professional administrators, local government policymakers in small communities rely on informal sources of information and advice. Personnel carry out multiple tasks; part-time municipal attorneys and engineering consultants, for example, are called upon to provide information beyond their specialties. The article was based on a comparative study of management and policymaking in eight small California and Illinois municipal governments.

Sokolow, Alvin D. "The Local Dimension: Finding and Using Community Resources for Rural Governments." In Rural Governments in a Time of Change: Challenges and Opportunities. Rural Governments Coalition, Washington, DC, 83-111, 1982.

A survey of the resources available to local governments in rural communities which emphasizes the capability of small governments to control their environment. Examined are the resources represented by elected officials and other individuals, organizational abilities, and fiscal resources.

. "The Elected Official as Expert: Governing Boards in Rural Communities." Rural Development Perspectives 1 (1): 4-8, 1984.

An exploration of the extent to which city council and county board members in rural communities, without professional administrators, serve as their own policy and program experts. A major finding is that such generalists are most competent in

dealing with routine matters, including the ongoing management of their governments. Based on a study of 12 small municipal and county governments in California and Illinois.

_____. "Legislators Without Ambition: Why Small-Town Citizens Seek Public Office." State and Local Government Review 21 (1): 23-30, 1989.

This study of governing board members in 12 small county and municipal governments in California and Illinois examines the motivations for seeking office. Few smalltown candidates and officials are motivated by ambition for higher office, since such opportunities are quite limited. Instead, one or another variant of "community service" is the usual motivating factor.

Stark, Nancy. "11 Ways Officials Can Help Local Business." National Association of Towns and Townships Reporter 75 (9): 1987.

"'Finding jobs for our people' is today's local government agenda," Stark argues. Local officials have an important role in helping to create small businesses, through such actions as accommodating local zoning to business needs, providing a one-stop information center, establishing revolving loan funds, and promoting positive community attitudes.

Sundquist, James L. Making Federalism Work. The Brookings Institution, Washington, DC, 1969.

This study, an examination of the implementation of development programs in urban and rural areas, emphasizes the use of multicounty agencies.

Thomas, Margaret G. Profiles in Rural Economic Development. Kansas City, MO: Midwest Research Institute, 1988.

A series of case studies which briefly describe projects and events. The following were reviewed in this report:

"Diversifying From a Tourism Economy: La Paz County, Arizona," 19-20.

"A Successful Rural Area Industrial Park: Seaford, Delaware," 29-30.

"Bootstrapping: A Small Town's Regensis: Helen, Georgia," 37-38.

"Development of an Agricultural Park: Maui County, Hawaii," 39-40.

"Rural Industrial Development: Fruitland, Idaho," 41-42.

"Revitalization and Renovation in a Very Small Community: Blue Mound, Illinois," 43-44.

"Central Business District Revitalization: Brunswick, Maryland," 57-58.

"Building a \$900,000 Revolving Loan Fund for Small Business Expansion and Development: Baraga, Michigan," 63-64.

"Creation of Industrial Jobs to Bring a Town Back: Cuba, Missouri," 75-76.

"Dramatic Recovery From High Unemployment--A Strong Mayor and Help From Levi Strauss: Adamsville, Tennessee," 103-104.

"A Comprehensive Development Strategy: Evansville, Wisconsin," 111-12.

"Way Off Broadway Deli--A Rural School Enterprise: St. Pauls, North Carolina," 127-129.

"A Homegrown Industry Built on Tradition: Cross Creek Valley, Pennsylvania," 131-132.

"A Gritty Little Community Fights for Survival, One Step at a Time: Ivanhoe, Virginia," 137-138.

"The Clown Hall of Fame: Recapturing a Town's Heritage: Delavan, Wisconsin," 141-142.

Thompson, Lyke. "The Politics of Economic Development: A Qualitative Case Study." Urban Resources 1 (Summer): 33-40, 1983.

A case study of the transfer of an old military base, acquired by city government, into an industrial park development in Battle Creek, MI. Supported by the local economic elite, the city government created a nonprofit, independent corporation to market the development, which bypassed municipal procedures and politics. The mayor (more aggressive than his predecessors) and the city manager initiated the project.

Waltzer, Herbert, Philip A. Russo, Jr., and W. Robert Gump. "Professional Networks and Local Officials: A Missing Link in Small Government Management." Rural Development Perspectives 2 (3): 35-39, 1986.

A study of municipal and township officials in Ohio, which suggests that officials of rural local governments are linked only marginally to professional networks that exchange public management information, services, and resources.

Wareing, Bryan. "The Case for Council Involvement." Municipal World 97 (2): 103, 1987.

Published in a Canadian journal, this article makes the case for the leadership of economic development projects by local government officials.

Weinberg, Mark L. "Business Incubators Give New Firms in Rural Areas a Head Start." Rural Development Perspectives 3 (2): 6-10, 1987.

A description of various types of business incubators, including the elaboration of techniques for overcoming the problem of limited clientele pools. Rural local governments can serve as sponsors of incubators. Although this is a fairly new business development tool, the number of incubators nationwide has increased dramatically since 1980.

Appendix--Phone Interview Items

Questions asked in phone interviews with key participants in 17 economic development cases:

1. As I understand it, this project involved _____ (summary of description in published case study). Is this correct?
2. How did the project get started?
--As a result of a particular problem or community condition?
3. Who initiated the project?
4. Who provided the leadership for the project?
5. What did the leader(s) do?
6. Who else was involved in the project? What did they do?
7. What assistance was sought from agencies outside the community? What agencies?
8. How did the project develop or change over time?
--In participants? --In activities?
9. Was a specific plan developed to guide the project?
10. What funding was provided for the project? From what sources?
11. What new community organizations, if any, were established during the course of the project?
--How were they constituted?
12. Exactly how were local governments involved in the project?
13. (If a particular local government official is identified as a project leader) Why this person? Particular motivations?
14. (If no local government official is identified as a project leader) Why not? Was there any official who could have acted in a leadership capacity?
15. In your view, do officials elected to run local government in small communities--such as mayors--have a unique responsibility to lead economic development efforts?
--Why? --Why not?
16. Finally, what did this project accomplish? What specific benefits?

Additional questions asked of elected officials who were project leaders:

1. Would it be accurate to say you provided "leadership" for the project? In what ways?
2. Why did you get involved in this project in the first place?
3. Did you have a prior interest, before coming into office, in economic development?
4. I imagine that there are many other responsibilities and demands on your time and effort in this office. Why, then, did you give this project a high priority?
5. Do you have any ambition for higher public office?

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