

Rural Growth as Creative Enterprise

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Rural communities and their businesses faced many new challenges in the 1990s. The internationalization of markets eroded the rural competitive advantage of low-cost labor. Some firms shifted production overseas. Many of those that remained adopted new production technologies and management practices and searched for niche markets instead of commodity markets. New information technologies changed the way business was done. Recreation, seasonal residence, and retirement regained some of the importance that they had had during the “rural renaissance” of the 1970s. Big-box retailing changed the nature of local services markets. Some “smokestack chasing” was still feasible as the auto industry moved South, meatpacking moved out of major cities, and the number of prisons grew. But for many rural areas, the creation and expansion of small businesses was a means for economic survival and growth. To better understand patterns of rural growth during this period, this paper draws on three concepts in the regional science literature: creative class, entrepreneurship, and amenities to develop a model of rural growth. This model is tested across nonmetropolitan counties in the country as a whole, and in three different rural contexts, the Mountain West, the Great Plains, and the remainder of rural counties.

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