Feature Articles

Overcoming Persistent Poverty—And Sinking Into It: Income Trends in Persistent-Poverty and Other High-Poverty Rural Counties, 1989-94 by Mark Nord

11 Rural Labor Markets Often Lead Urban Markets in Recessions and Expansions
by Karen S. Hamrick

18 Rural Industry Clusters Raise Local Earnings by Robert M. Gibbs and G. Andrew Bernat, Jr.

Commuting and the Economic Functions of Small Towns and Places
by Lorna Aldrich, Calvin Beale, and Kathleen Kassel

Rural Areas in the New Telecommunications Era by Peter L. Stenberg, Sania Rahman, M. Bree Perrin, and Erica Johnson

40 Industrial Uses of Agricultural Products Such as Crambe Play a Role in Rural Community Development by Jacqueline Salsgiver

47 Sustaining a Rural Black Farming Community in the South: A Portrait of Brooks Farm, Mississippi by Valerie Grim and Anne B. W. Effland

Book Reviews

Beyond the Amber Waves of Grain: An Examination of Social and Economic Restructuring in the Heartland
Development, Geography, and Economic Theory
Multiple Conflicts Over Multiple Uses
The Farm Family Business

Douglas E. Bowers, Executive Editor Carolyn Rogers, Associate Editor Lindsay Mann, Managing Editor Brenda Powell, Managing Editor Dennis Roth, Book Review Editor Anne Pearl, Cover design

Rural Development Perspectives (ISSN 0271-2171) is published three times per year (February, June, and October) by USDA's Economic Research Service. Call our order desk toll free, 1-800-999-6779, for subscription rates and to charge your subscription to VISA or MasterCard.

Subscriptions to *Rural Development Perspectives* are also available through the U.S. Government Printing Office.

Rural Development Perspectives welcomes letters to the editor as well as ideas for articles. Address editorial correspondence and inquiries to the Executive Editor, Rural Development Perspectives, ERS-FRED, Room 2171, 1800 M Street, NW, Washington, DC 20036-5831; or call 202-694-5398.

Contents of this journal may be reprinted without permission, but the editors would appreciate acknowledgment of such use and an advance copy of the material to be reprinted. Opinions expressed in this report do not necessarily represent the policies of USDA. Use of commercial and trade names does not imply approval or constitute endorsement by USDA.

The United States Department of Agriculture (USDA) prohibits discrimination in its programs on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, and marital or familial status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint, write the Secretary of Agriculture, U.S. Department of Agriculture, Washington, DC, 20250, or call 1-800-245-6340 (voice) or (202) 720-1127 (TDD). USDA is an equal employment opportunity employer.

Editor's Notebook

This issue of *Rural Development Perspectives* examines a number of areas that are of current interest in rural America, including poverty, telecommunications, industrial crops, commuting, labor markets, industry clusters, and the experience of a Black farming community facing population loss.

Mark Nord opens the issue by asking what has happened to persistent-poverty counties in recent years? These counties make up nearly a quarter of all rural counties. Per capita income growth there increased at over twice the rate of other rural counties between 1989-94, especially in the East. Yet income has declined in many high-poverty counties with high concentrations of Hispanics and Native Americans, high birth rates, and remote from urban centers.

Karen S. Hamrick's article shows how rural labor markets respond faster to recessions and expansions than urban labor markets, probably because a greater proportion of nonmetro workers are employed in goods-producing industries. On the other hand, because those working part-time for economic reasons and discouraged workers do not respond as quickly to business cycle movements, macroeconomic policies are less helpful in pulling nonmetro areas out of recessions than more targeted policies would be. One strategy that promises to raise earnings for nonmetro workers is the clustering of related businesses in particular areas. Robert M. Gibbs and G. Andrew Bernat, Jr., demonstrate in their article that industry clusters raise earnings within those industries by about 13 percent over earnings of similar workers not in clusters.

Commuting to work has become a fact of life for people living in both non-metro and metro areas. The article by Lorna Aldrich, Calvin Beale, and Kathy Kassel explains how important commuting within nonmetro areas has become for small towns and places, especially east of the Mississippi. The separation of work and residence and the tendency of high- or low-income workers to cluster in certain areas has changed the social and demographic composition of many communities and created special problems for local governments. One development which may give workers even more freedom to decide where they will live is telecommunications.

Peter L. Stenberg, Sania Rahman, M. Bree Perrin, and Erica Johnson discuss the Telecommunications Act of 1996, the first major revision of telecommunications laws since 1934. The most important provisions guarantee that universal service requirements will continue to apply to high-cost service areas. Because all rural areas are considered high-cost areas, even those in metro counties, rural telephone service will continue to get subsidies to keep costs to customers reasonable. All rural schools, libraries, and health care providers will be eligible for discounts in hooking up to the telecommunications network.

One possible strategy for assisting community development in farm-dependent areas is switching to crops grown for industrial processing within the region. Jacqueline Salsgiver examines the projected effects of switching to crambe, an oilseed crop, in central North Dakota. She estimates that the new plant being built to process the crambe crop along with higher farm income from growing crambe will add 174 jobs in the community, including both direct and indirect impacts.

Valerie Grim and Anne B. W. Effland use the small farming community of Brooks Farm, Mississippi, as a case study of how Black communities in the South have coped with the loss of population since World War II from migration and the technological revolution in agriculture. Residents of Brooks Farm struggled against poverty and limited opportunities by working to strengthen traditional institutions such as the church. They have also learned how to organize to secure otherwise inaccessible government services.