# Building Rural Capacity in the New Economy

The New Rural Economy, Phase 2

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# Project Objectives

- Anticipate the changes that are likely to affect rural Canada in the future.
- Identify conditions that enhance or inhibit capacity-building.
- Propose strategic options for building capacities.
- Build capacity for rural research through education, networks, data, and infrastructure.

# Why is rural capacity important to Canadians?

- 24% of Canadians live in rural areas.
- More than 80% of Canada's trade surplus is contributed by primary products from rural areas (2003).
- Rural Canada is multifunctional: it provides food, water, recreation, pollution amelioration, and carbon sequestration for all Canadians.
- Rural Canadians are primary stewards of our natural amenities.
- Rural communities preserve a heritage of community diversity.
- Vibrant rural communities provide a valuable alternative to urban overpopulation.

# Partners:

- 32 Rural Research Sites Across Canada
- 14 Canadian Universities
- Agriculture and Agri-Food Canada
- The Arkleton Centre (Scotland)
- Canadian Rural Revitalization Foundation
- Federation of Canadian Municipalities
- Institute for Rural Revitalization in the 21st Century (Japan)
- Natural Resources Canada
- The Ontario Rural Council
- Statistics Canada

# What have we learned?

° Rural Canadians must build their capacities to meet the changing conditions of the new economy.

# Economy

- Niche markets provide opportunities for local economic sustainability.
- Local capacity can offset negative structural effects.

## Governance

- The local control of assets supports economic capacity, social cohesion, social capital, and local identity.
- Local governance capacity is stronger where municipal government, private sector, and voluntary groups share leadership and power.
- Both local and external networks are necessary for sustaining local capacity.
- Since food, water, and environmental stewardship are important concerns of urban and rural people alike, they can form the basis for strategic alliances.

## **Social Relations**

- Innovations in organization can be made by working from local strengths in social relations (market, bureaucratic, associative, or communal) to build capacities in those domains that are weak.
- Available social capital is often not fully used.
- Innovation in service delivery can meet some of the expanded demands (but the rural volunteer base has limited ability to absorb offloaded services).
- Context matters:
  - Strong market relations are most important for incomes in all types of communities.
  - Bureaucratic are important for local and stable economies.
  - Associative are important for global economies and low institutional capacity sites.
  - Communal are important for fluctuating economies and non-metro adjacent sites.

### **Technology**

- Modern technology can open up regional, national, and international markets for products and services.
- On-line learning and the Internet can build a previously shared interest, but they don't usually create one.
- Broadband infrastructure needs community learning support to build capacity.
- ° Governments (local, provincial, federal) can facilitate rural capacity growth.
- Revise corporate and tax regulations to allow greater flexibility for communities to organize and invest in local projects.
- Encourage innovations in governance that include private and civic organizations, alternate forms of accountability, and new mechanisms of representation (e.g. Social Economy).
- Explore innovative programs supporting communal and associative relations in recognition of their critical role for economic development, social support, and social cohesion.
- Combine broadband expansion with community learning programs.
- Combine new technologies with traditional media when communicating with rural people.
- Support programs to identify new markets and facilitate their introduction to rural entrepreneurs.
- Modify organizational structures to recognize and build on the multifunctional nature of rural communities and industries.



Twillingate, Newfoundland (Site 02)



Lot 16, Prince Edward Island (Site 03)



St-Damase, Québec (Site 11)



Tweed, Ontario (Site 15)





Tumbler Ridge, British Columbia (Site 28)

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