

The New Rural Economy Project:
a Framework for Rural Revitalization

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February 18, 2001



- Acknowledgements:
- The Canadian Rural Revitalization Foundation

Outline

- What is the problem?
- Revitalization, Capital, Capacity, and Cohesion
- NRE Research Program



Rural Canada is devitalizing

- Rural communities are disappearing
- Rural assets are diminished
- Social cohesion is diminished
- Individual stress is high
- The natural environment is in danger



•Pressures of the New Rural Economy

- The general pressures conditioning the rural economy in Canada are largely shared by those in urban centres and other parts of the world. They are strongly mediated by national and local conditions, however, making their consequences unique for different locations and for different types of people in those locations. It is in the interactions between these pressures and the local contexts that the complexity of rural Canada can best be understood.

•Technology

- Technological innovations are a crucial ingredient in the dynamics of the new rural economy. Canada's traditional dependence on resource extraction has meant that the labour-shedding characteristics of extraction technology have radically changed the rural landscape. Our farms, forests, waterways, oceans, and minerals have felt the impact of those technologies and the reorganization of production that they bring. In the process, some rural communities have become more connected and more like their urban counterparts while others have disappeared.

•Markets

- The technology has not been developed or used in a social or political vacuum, however. The structure of economic markets has contributed to its growth in certain directions and not in others. Technology, for example, has been used to standardize production rather than diversify it, shed labour rather than socialize it, extract resources rather than sustain them, and increase economic inequality rather than reduce it.

- In Canada, our resource economies have been commodity based for the most part, and except for the automobile industry, we have largely depended on the shipment of raw materials for our wealth. The organization of those industries has been highly concentrated (Figure 1). In the modern, global economy, these tendencies have increased. At the same time, the ability of rural people to extract value from their commodities has diminished.

•Environmental Limitations

- Both technological development and market pressures have in turn placed the environment in jeopardy. We now have the ability to empty the oceans of fish, to remove the topsoil from the land, and strip the hills of their forests. Competition from around the globe and the high level of foreign ownership of our industries (Figure 2) has meant that we have acted on that ability in the interest of short-term gain rather than seek sustainable use of these resources.

- The limits to this strategy are now increasingly apparent, however. Environmental limitations have forced us to reconsider how we extract and use these resources and to reevaluate our treatment of common property.

Canada's Position

- Always dependent on commodity trade
- State has supported this trade
 - Sectoral organization
 - Research and application of new technology
 - Global trading over community development
 - Free trade over multifunctionality

Consequences:

- Rural communities no longer services centres for commodity production
- Few viable economic functions for communities have emerged:
 - Bedroom communities
 - Tourist communities
 - Amenity communities
 - Retirement communities
- Rural economies devitalized

Consequences:

- The old function of rural communities has disappeared (services centres for commodity production)
- Technologies, markets, and policies mean that it is no longer necessary to have rural communities
- Few economic functions for communities have emerged:
 - Bedroom communities
 - Tourist communities
 - Amenity communities
 - Retirement communities

Research Question:

How can rural economies
(re)vitalize?

- Economically
- Politically
- Socially
- Environmentally

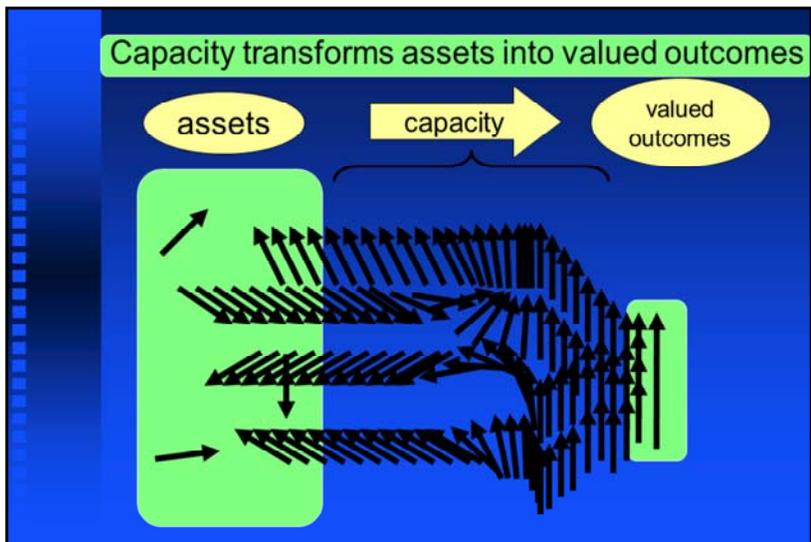


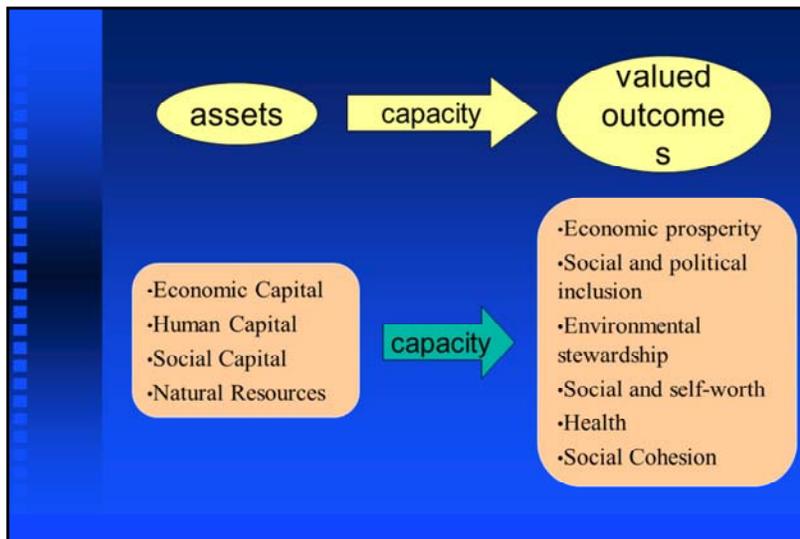
How can rural communities (re)vitalize?

By organizing their assets, rights, and entitlements
to do the things they consider important

This ability to organize is:

Capacity

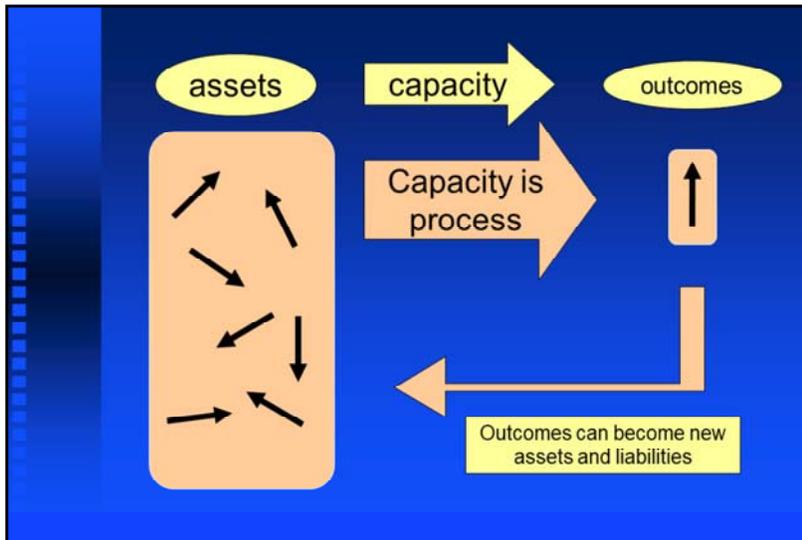




(Re)vitalization occurs when capital and resources are (re)organized to produce desired outcomes. The ability of rural communities to do this in an appropriate and successful fashion is what we refer to as the community's capacity.

Capital

- Human-made assets



Capacity

Capacity is the ability to organize assets, rights, and entitlements to produce valued outcomes.

- **capacity scales** - It may be attributed to individuals, groups, or societies
- **capacity is relative** - The outcomes may be valued by some groups, but not valued by others

What are the processes underlying capacity?

How do groups organize themselves
(how are groups organized)?

- Market relations
- Bureaucratic relations
- Associative relations
- Reciprocal relations

- These are 4 processes by which people relate
- They are distinguished because they are supported by 4 different modes of operating, rules, sets of values, legitimation structures, and bases for the distribution of assets.
- They sometimes reinforce one another, and sometimes conflict with one another

Capacity can be learned

- Through continuing education
- Through confidence-building successes
- Through conflict resolution
- Through appropriate (including indigenous) knowledge
- Through experience
- Through information exchange
- Through imagination

What is Social Cohesion?

Social cohesion is the extent to which people respond collectively to deal with the economic, social, political, or environmental stresses (positive or negative) that affect them

This sounds like
Capacity



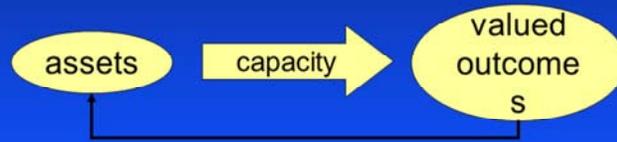
Social Cohesion is a social outcome

- Outcomes are collectively initiated or maintained
- The collective action may be undertaken consciously or unconsciously
- Outcomes are transitory
- Outcome benefits are relative to particular groups or levels

positive outcomes at one level may
mean negative outcomes at another

Social Capacity is an Outcome

- It is often, but not always valued
- It may in turn contribute to social capital



Valued Outcomes

- May be valued by some groups and not valued by others
- Usually involve tradeoffs



(Bankable) Projects

Are outcomes in which people invest time and/or money

- They are particularly attractive to outside investors
- They hold the greatest potential for economic development

Summary – the 3 Cs

- Social **C**apital: one type of community asset
- **C**apacity: ability to organize assets, rights, and entitlements
- Social **C**ohesion: extent to which capacity is socially organized

(Re)vitalization occurs when capital and resources are (re)organized to produce desired outcomes. The ability of rural communities to do this in an appropriate and successful fashion is what we refer to as the community's capacity.

Capital

- Human-made assets

NRE Research Questions

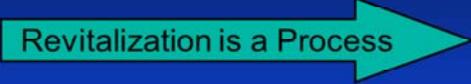
- How does (re)vitalization occur in the NRE?
- How can (re)vitalization be enhanced in the NRE?

How does (re)vitalization occur in the NRE?

- What is (re)vitalization?
- What is the NRE?
- How have institutions, groups, and individuals changed/responded?
- Under what conditions are they (re)vitalizing?

What is (re)vitalization?

Revitalization is a Process



It is
ongoing



- Identify concerns
- Identify valued outcomes
- Identify assets and resources
- Organize assets and resources
- Produce valued outcomes

What is the NRE?

Old Economy

- Homogeneous culture
- Low knowledge demands
- Resource commodities
- Simple and repetitive
- Local relations important
- Local control of assets

New Economy

- Diverse cultures
- High knowledge demands
- Services and amenities
- Consumption
- Complex
- External relations important
- Global control of assets

How have institutions changed/responded?

- SMEs, Coops (Economy)
- Governments (Governance)
 - Service Institutions (Services)
- 3rd sector institutions (Services)
- Media and communications institutions (Communications)

Corporations?

How have groups changed/responded?

- 3rd sector groups (Services)
- Rural 'communities' (Governance)
- Local action groups (Governance)
- Marginalized (Macro)

Business groups?

How have individuals changed/responded?

- Local people (survey)
- Consumers (survey)
 - Commercial
 - Public services
- Marginalized (Macro, survey)
 - Elderly, Single mothers, Working poor, Youth

Under what conditions are they (re)vitalizing?

- What are the valued outcomes?
- Under what conditions are they produced?

Contingency and Comparative Analysis

- Interviews
- Survey
- Field sites
- Macro