

The New Rural Economy Project: Revitalizing Rural Canada

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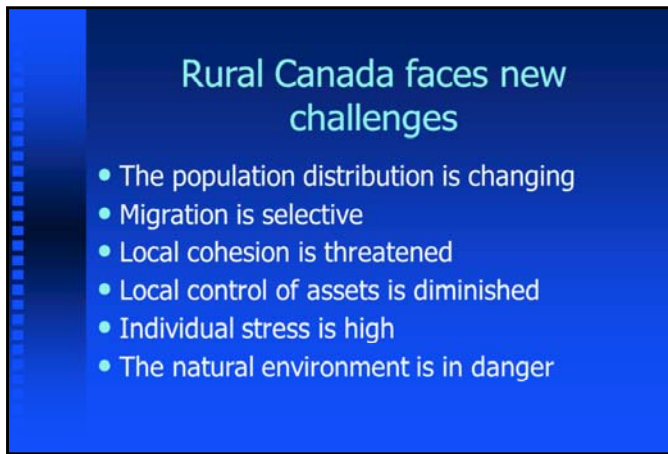


Revitalizing Rural Canada

- How did we get here (the NRE)?
- What are the challenges?
- How can rural communities revitalize?
- Building Capacity with Markets
- Building Capacity with the Bureaucracies
- Building Capacity with Associations
- Building Capacity with Family and Friends
- Revitalizing Rural Canada

Revitalizing Rural Canada

- Presentation follows the structure of a potential book
 - Will spend more time on the earlier material – outlining the orguement
 - Provides an opportunity to detail some of the conceptual framework
 - Will use the latter sections as an opportunity to suggest how our past, current, and future materials might be used within the structure of a book.



Rural Canada faces new challenges

- The population distribution is changing
 - 1970s: rural turnaround (RST NET IN-migration due to higher in-migration and lower out-migration)
 - 1980s: turnaround of the turnaround (RST NET OUT-migration due to lower in-migration)
 - 1990s: rural NET IN-migration due to higher RST retention (lower out-migration)
 - Urban adjacent net gain
 - Retirement regions net gain
 - Sask, NF net losers
- Migration selective
 - the average person leaving RST Canada has more years of schooling than the average person moving to RST Canada.
 - Interestingly, in age groups over 50 years of age, the average person moving to RST Canada has more years of schooling.
 - “have provinces” (B.C., Alta., Ont.) have the highest out-migration and highest in-migration rates in each intercensal period since 1966
 - “have-not provinces” (each Atlantic Province) have the lowest out-migration and lowest in-migration rates in each intercensal period since 1966
- Local community cohesion is threatened
 - Migration weakens local commitments
 - Transportation means commuting and wider networks
 - The basis for cohesion is changing
- Local control of assets is diminished
 - Urban growing faster than rural – therefore focus on urban, policies are urban
 - Corporate concentration means decisions made elsewhere (urban)
- Individual stress is high
 - High levels of suicide, alcoholism
- The natural environment is in danger
 - Fish stocks, topsoil, forests, water are threatened by industry and pollution



•**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 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. This means that 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.

•**Ideology and Policies**

• The legacy of technology, market concentration, and environment has significantly conditioned the ideological and policy bases of Canadian society as reflected in the Canadian state. Our dependence on global trade has traditionally dominated the government's economic policy: producing a commitment to commodity trading that includes the state as an active partner.

• These commitments conflict, however, with the state's other roles as a custodian of common property and provider of social services. Preoccupation with the selling of commodities, expansion of markets, and short-term profits means that common property services such as food security, rural amenities, and the environment go unprotected.

Consequences:

- Rural communities no longer service 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

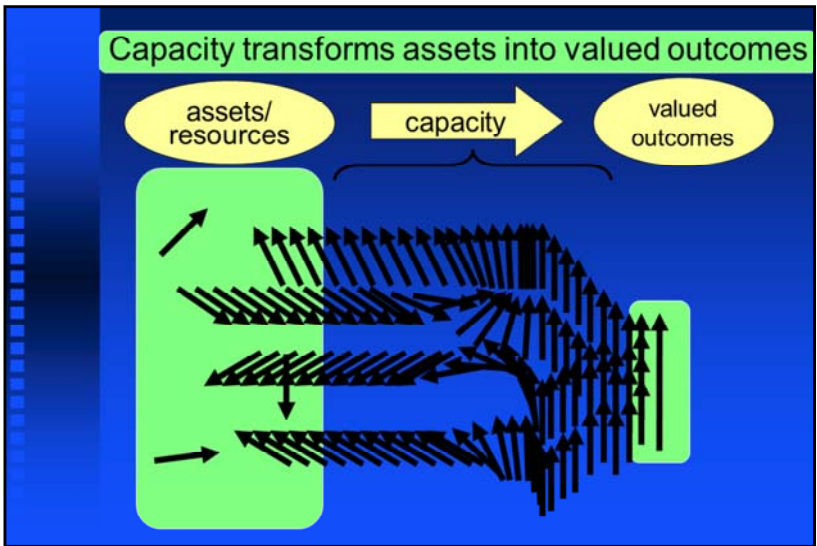


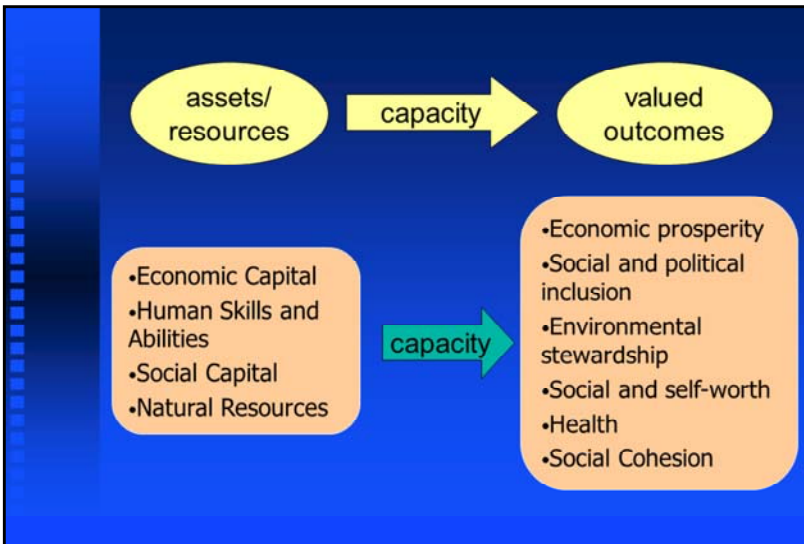
How can rural communities (re)vitalize?

- By challenging the conditions that have contributed to devitalization
- By organizing their assets and resources to do the things they consider important

This ability to organize is:

Capacity

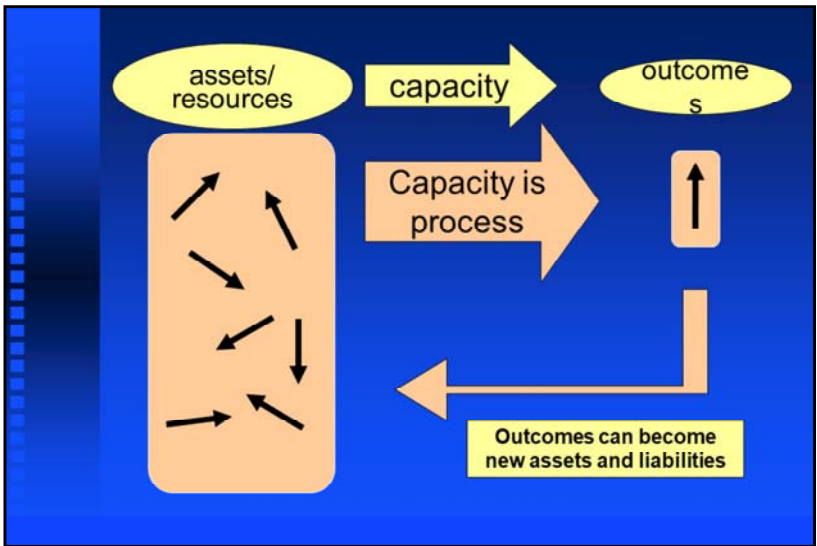




(Re)vitalization occurs when capital and resources are (re)organized to produce desired outcomes. The ability of rural communities to do this in an appropriate and successful fashion is what we refer to as the community's capacity.

Capital

- Human-made assets



Capacity

Capacity is the ability to organize assets and resources 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

This definition has the following characteristics

- It scales:
 - It assumes the identification of a particular group of people when operationalized.
- It is relative:
 - does not assume that the actions are beneficial or detrimental to any particular group - including the one that takes the action.
- It assumes there are many different ways that the individuals involved might come to act collectively: including such things as market exchanges, bureaucratic structures, common interest, or reciprocal relationships.
- It focuses on the action as distinguished from the structure or conditions that might facilitate the action.

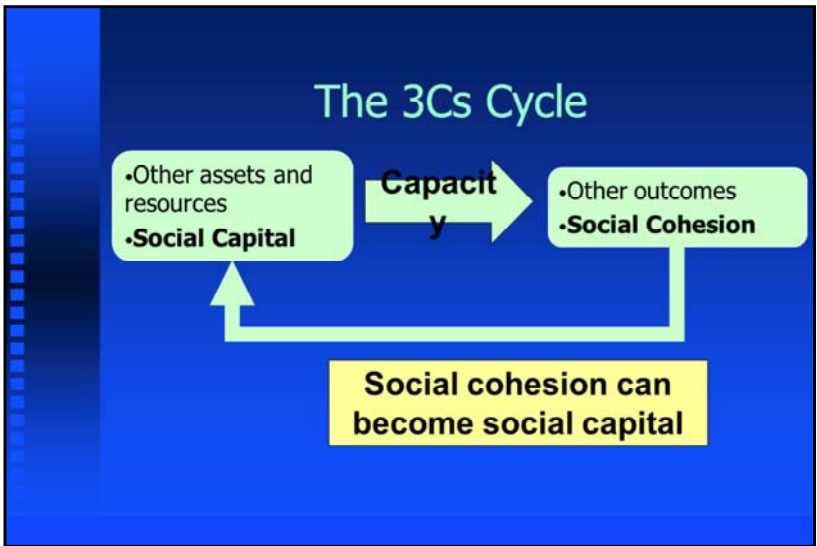
Summary – the 3 Cs

- Social **Capital** - one type of community asset
- **Capacity** - ability to organize assets and resources
- Social **Cohesion** - a characteristic of capacity: the extent to which it is socially organized

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Capital

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Capacity is Conditioned by Rights and Entitlements

R/E affect a group's inclination and ability to:

- Access and control assets and resources (including social capital)
- Identify with others
- Communicate with others
- Act with others (social cohesion)

Capacity is conditioned by rights and entitlements:

- The rights attributed to groups or individuals will affect their inclination and ability to:
 - Access and control assets and resources (including social capital)
 - Identify with others
 - Communicate with others
 - Act with others (social cohesion)

How are these rights and entitlements organized?

How do groups organize themselves?

- Market relations
- Bureaucratic relations
- Associative relations
- Communal relations

What do we know about these relations?

How are these rights and entitlements organized?

- This may also be asked as “How do groups organize themselves?”
- In contemporary society (at least), there are 4 general modes of organization
- 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

Modes of Relating

- all modes are used by individuals and groups
- they are interdependent
- they can reinforce or inhibit one another
- they are supported and enforceable by socially recognised rules, norms, entitlements, and institutions
- each contribute to community capacity

We know a lot about how they are manifested in rural Canada

•All of these systems are used in various combinations by individuals and groups to self-organize

- village of Hussar (AB) relied primarily on associative relations in the face of school closings. The citizens got together and lobbied the government.

- the Hutterite community next door uses communal relations intensively (family supported by religious belief) and combines them with authority relations (again legitimized by religion) to successfully compete in a market system (have even been able to expand while others fail).

- In this case, the three systems reinforce one another

•this is not always the case

- The Marshall decision in Atlantic Canada, for example, and the reaction which followed it, illustrates a situation where bureaucratic-legal systems, communal systems, and market systems come into conflict. The bureaucratic structure of the fisheries operated with little sensitivity to the associative and communal systems binding Aboriginal and Non-Aboriginal fishers.

- Our research on voluntary associations demonstrates how the regulations of government bureaucracies have a difficult time with the ways in which associative relationships are organized. Project-driven, short-term funding creates significant problems for the management of initiatives based on informal associations or friendship networks.

•Each system provides a different basis for social cohesion

- in Cap à l'Aigle, cohesion was built through a network of people interested in lilacs (associative)

- the town municipality (bureaucracy) shared its offices and bureaucratic structure, thereby increasing both the capacity and effectiveness of the informal group.

- The two systems reinforced each other and produced a new opportunity for strengthening market relations through tourism.

Building Capacity through Market Relations

- Adaptation in agricultural HHs (CARCI)
- Escaping the complexity trap (Apedaile)
- Economic leakages from rural communities (TBA)
- SMEs in the global market (Joyal)
- Co-ops in the global market (Bruce/Fairbairn)
- Self-employment as entrepreneurial failure? (Reimer)
- The contribution of social cohesion to economic performance (Dayton-Johnson)

Building Capacity with Bureaucratic Relations

- History of rural policy (Fairbairn)
- Accessing government services (Halseth)
- Maintaining the health of rural Canadians (Pong)
- The changing face of rural governance (Jean)
- The challenges of amalgamation (Jean/Wall)
- The financial burden of rural communities (TBA)
- The changing structure of the rural press (Emke)
- Partnering with governments (Reimer)

Building Capacity with Rural Associations

- Voluntary associations under stress (Bruce)
- Voluntary associations as social capital (Wall)
- The 3rd sector and CED (Doiron)
- Voluntary associations and rural revitalization (Halseth/Leblanc)
- Mobilizing action (Chouinard)
- Communication infrastructure and community capacity (Bruce)

Building Capacity with Family and Friends

- Managing stress in rural HHs (Reimer)
- Home care in rural HHs (TBA)
- Living with mobility in rural families (Looker/Simard)
- The informal economy as swing bridge with the formal economy (Reimer)

What Have We Learned for Rural Communities?

- Capacities can be learned
- The NRE demands multiple capacities
- Revitalization is a process



A Book? Revitalizing Rural Canada

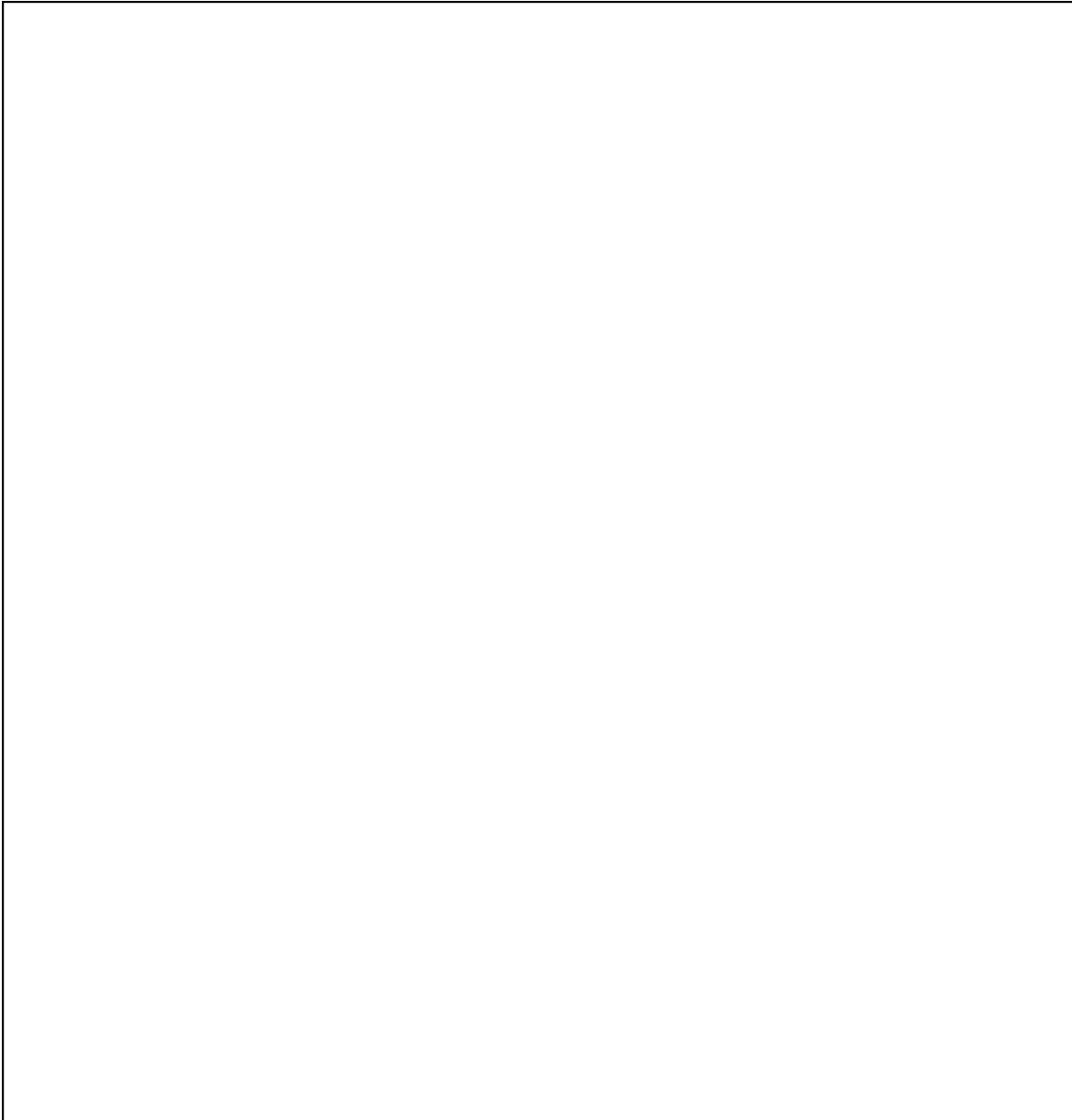
- What is the NRE?
- How can rural communities revitalize?
- Building Capacity with Markets
- Building Capacity with Bureaucracies
- Building Capacity with Associations
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- Revitalizing Rural Canada
- Appendix: How do we know this?

The NRE Project: Revitalizing Rural Canada

A Project of the Canadian Rural
Revitalization Foundation

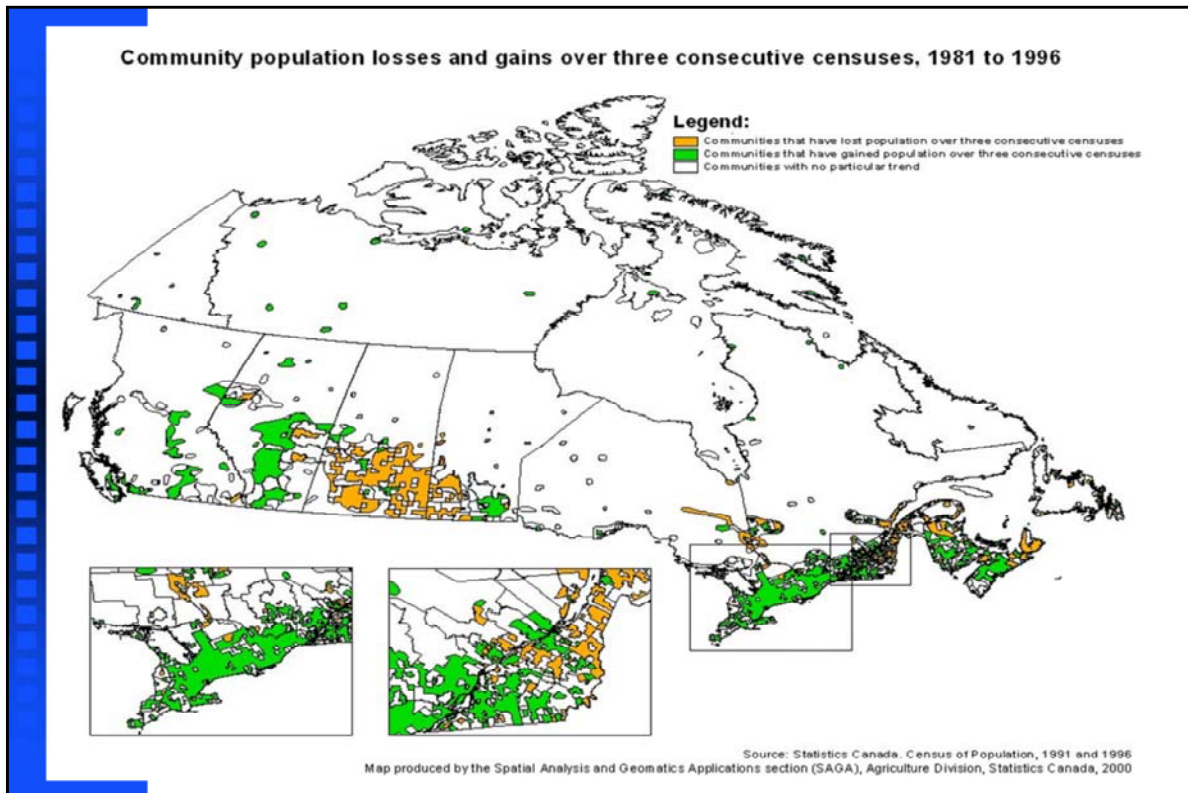
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How Did We Learn This?

- From rural people
- From workshops and conferences
- From NRE Project
 - Macro-level
 - The Rural Observatory
- From collaboration



- **The purpose of this map was to illustrate the diversity of outcomes within census divisions.**
- **However, perhaps the more startling finding is the spread of territory where every community reported population declines in three consecutive intercensal periods (from 1981 to 1986 and from 1986 to 1991 and from 1991 to 1996). These areas have an orange shade and are most noticeable in Saskatchewan, the lower St. Lawrence region of Québec, northern New Brunswick, Cape Breton Island and parts of Newfoundland.**
- **A similar finding is the spread of territory where every community reported population growth in three consecutive intercensal periods. These communities include communities in the northern regions, some communities in British Columbia, communities in the Lethbridge to Edmonton axis, most communities in southern Ontario, many communities in the vicinity of Montréal, and communities close to large cities in the Atlantic Provinces.**

Figure 1: Canadian industries are concentrated



•Figure 1: Canadian Resource Industries are concentrated and concentrating

•8 leading firms in selected industries related to natural resources

•Agriculture-related:

•agricultural implements (69.5%)

•Petroleum products (93.7%)

•Dairy: fluid milk (78.4%); other dairy products (76%)

•Four: cereal grain flour (91%); prepared flour mixes and cereal foods (92%)

•Beverage industries: soft drinks (86.7%); distillery products (98.4%); brewery products (96.4%); wine (87.1%)

•Fisheries: 50.7%

•Forestry: 31.3%; pulp and paper high (74%)

•Result: Concentration means (for rural Canada):

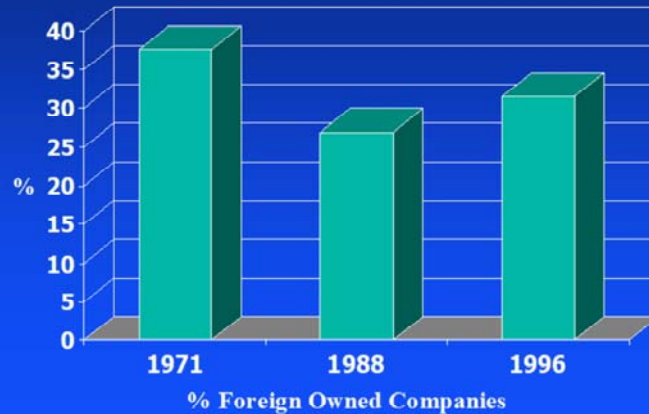
•lower local incomes from rent

•land values suppressed

•equity-based investment more difficult

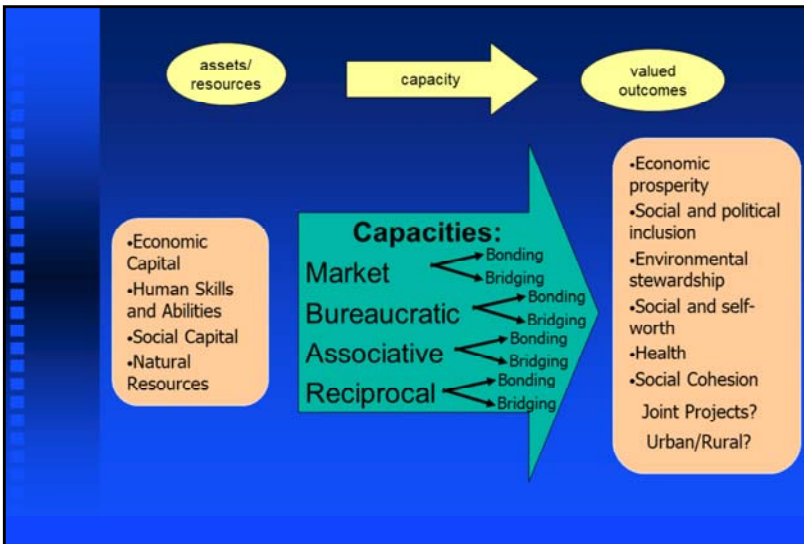
•pressure on the environment

Figure 2: Canadian industries have high foreign ownership



•Figure 2: Canadian Industries have a high level of foreign ownership

- Their highest level was in 1971 (37.6%)
- 1973: Foreign Investment Review Act (FIRA) - reduced level of foreign ownership
- 1985: FIRA abolished, replaced with Investment Canada
- level of foreign ownership rising
- Foreign companies have fared better than Canadian companies
 - growing faster (between 1990 and 96: revenues grew by 51.6%, whereas Canadian corps. grew 27.6%)
 - perhaps because they relied less on domestic markets, or because they are usually bigger, with the support of a parent company elsewhere
- Most of the foreign investment (98.5%) is for takeovers, not new business investment (1.5%)
- Result:
 - difficult to take a strong position on the protection of domestic interests
 - companies threaten to move to other locations
 - giving more control to the private corporate sector means giving more control to foreign interests (Rural Canada I, not Rural Canada II)



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Capital

- Human-made assets