


NRE² BUILDING RURAL CAPACITY IN THE NEW ECONOMY

Rural-Urban Interdependence in the New Economy

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- Thanks for invitation
- Particularly pleased to speak about rural-urban interdependence since it has emerged as a critical issue in our research
- Often hard to find forums where both rural and urban interests are discussed – so am excited that you have put it on your agenda.

• *Acknowledgements:*

- *Social Sciences and Humanities Research Council of Canada*
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- *Statistics Canada*
- *CRRF*
- *NRE Research Team*
- *Rural Citizens in our field sites*

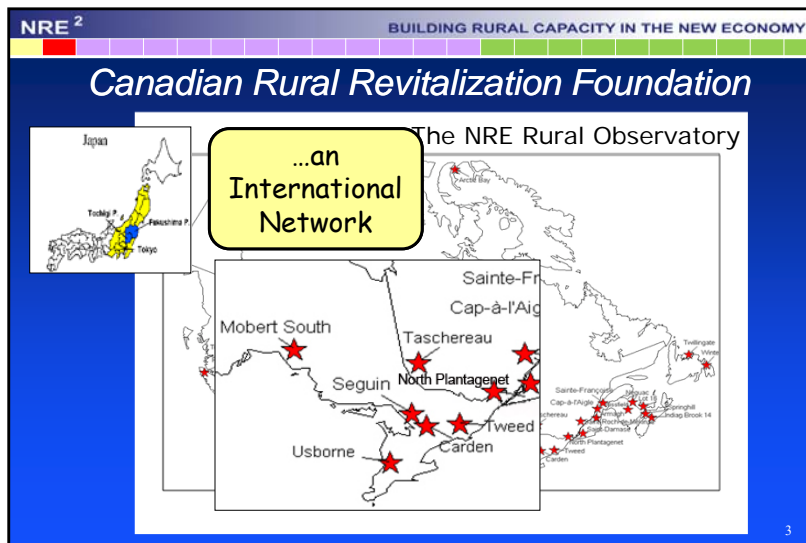
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Outline

- What is rural-urban interdependence?
 - Trade and exchange
 - Institutions
 - Environment
 - Identity
- What strategic actions does it suggest for communities, urban centres, provinces?
 - 8 Suggestions

2

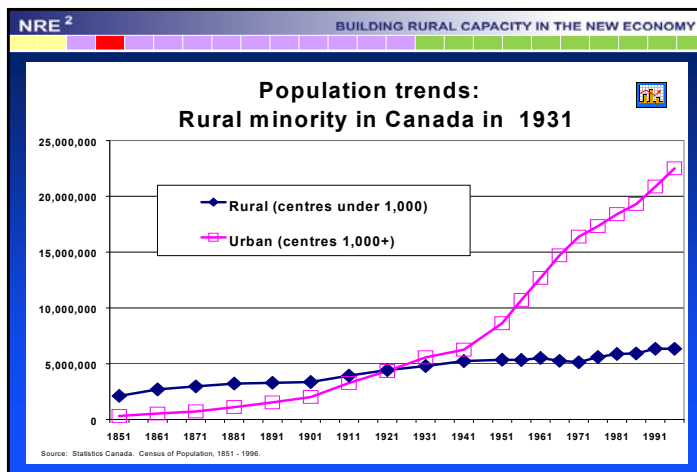
- I would like to use the recognition of this interdependence as a basis for examining some of the changes that have been taking place in Canadian society over the last 80 years or so.
- It has not only helped us to focus our analysis of these changes
- But it has provided a lens that suggests some rather specific opportunities for policy directions in the future.
- My presentation will be structured around 2 main questions
 - (S) What is the nature of interdependence among rural and urban people and places?
 - Including a discussion of how it has changed
 - I will discuss this in terms of 4 spheres of interdependence:
 - Trade and the exchange of goods and services
 - Institutions
 - Environment, and
 - Identity
 - (S) What are some of the strategies that this interdependence suggests – for Rural communities, Urban centres, and provincial and federal governments?
 - I will discuss these in terms of 8 suggestions arising from our research and deliberation



- My comments emerge from 20 years of collaboration within the Canadian Rural Revitalization Foundation
 - Researchers, policy-makers, practitioners, business people, and citizens
 - For 20 years meeting in annual conferences and workshops – in rural areas
- In 1997 we established a national research project: Understanding the New Rural Economy
 - Includes 15 core researchers in 11 universities across the country
 - (S) 32 systematically chosen rural communities (The Rural Observatory)
 - (S) 6 in Ontario
- Our Japanese colleagues were very impressed with this approach and asked us if we would collaborate with them to do the same thing in Japan
 - (S) With our help they selected 2 sites in Japan and ran a parallel and comparative project with ours One of the most general finding of that research was the realization of the extensive way in which rural and urban places are interdependent
 - Thus – it has become a central focus of our investigation
 - Research projects underway in 6 provinces
- My presentation is therefore indebted to the work and insights of many people in the CRRF and NRE networks.



- Let's look more closely at some of the ways in which this interdependence is manifested
- First of all, through trade and exchange
 - This is the traditional basis of the Canadian economy
 - Since the time of Confederation, Canada has been built on international trade in commodity goods: fish, fur, timber, minerals, petroleum, energy
- Communities were central within this framework since they were the locations for extraction and trade
 - Cities served as residential and support locations for the extraction of those resources as well as transfer points for goods – reflecting both the technology and geography of the country and its natural resources
 - This is an infrastructure and legacy which continues today



- The legacy remains, but it has undergone significant changes that have radically restructured the nature of rural-urban interdependence
- Increased mechanization has meant:
 - Fewer workers are required for the same or increased levels of output
 - In the past, those workers put out of work in our primary industries were easily absorbed by urban labour markets as the economy shifted from primary production to industrial organization
 - We are now reaching saturation points as cities are facing challenges of servicing their populations
 - In the process, urban centres have become politically and economically more powerful
 - Urban centres identified as “drivers of the economy”
 - Political and public discourse has emerged contrasting urban and rural as if they were clearly defined entities in competition
- But these are old visions where rural regions were seen as a resource hinterland to urban economies and societies – with all the accoutrements of sentimentality and marginalization
 - In the more extreme representations rural communities are seen as necessary for resource extraction or national security but are in general considered a drain on the national and provincial economies
- This vision is out of date and needs to be reevaluated in light of the evidence
- What is some of that evidence?...

•.....

•Note: graph for Ontario is similar to the one for Canada

•Canada is Urban

•About 80% of population is in urban areas – and growing

•At the Canada level, and in most provinces, the (census) rural population is increasing.

•In Saskatchewan, the (census) rural population has been decreasing since 1931.

•Within each province, the rural farm population has been declining for decades and the rural non-farm population is increasing.

•(Census rural refers to individuals living outside settlements of 1,000 or more)

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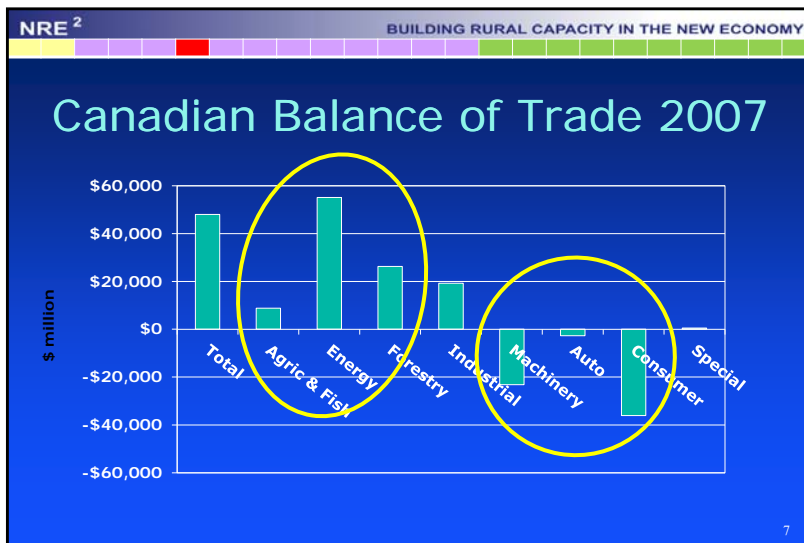
Interdependence through Trade

- Price of transporting goods has dropped, transporting people has increased
- Commodity communities shrinking
- Urban dependent on commodities



6

- (S)Our research has shown that the price of transporting goods has dropped while the price of transporting people has increased (Bollman)
- (S)Natural resource-based communities face declining populations
 - Important to note that the driver is not inefficiency – but increased efficiency and the commodity treadmill
 - Our responses to mechanize in the face of global competition have been very successful – producing more with fewer people – but it has been a disaster for the sustainability of our natural-resource dependent communities
 - Fewer people means declining population, fewer services, and diminished capacity to manage those communities
- (S)Urban economies remain dependent on rural natural resources but the flow of goods is not direct via rural communities of production but via international markets



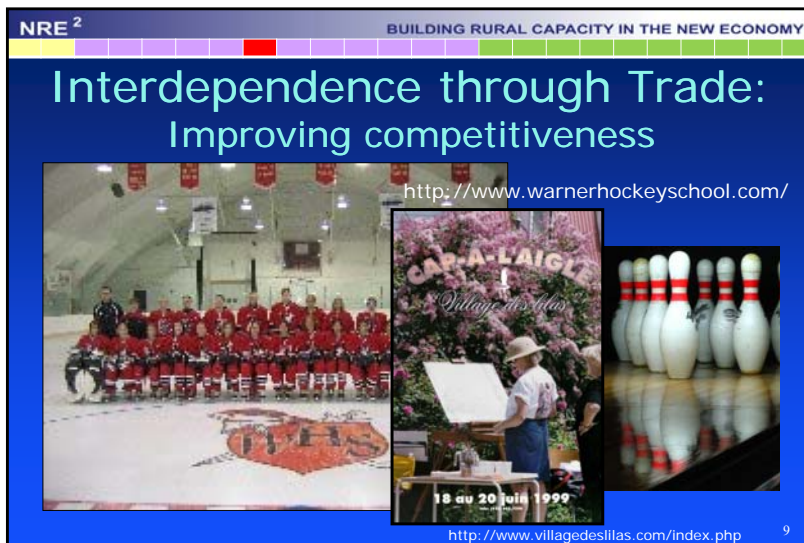
- In this graph of our national balance of trade – we see how the Canadian balance of trade is positive (S) for rural-focused industries like agriculture, fishing, forestry, and energy, but negative (S) for machinery, auto, and consumer items
- It is not obvious to the general public that our ability to purchase our ipods, computers, and clothes is so dependent on selling our forest products, petroleum, and energy resources
- Hence the people and communities required to service these industries become seen as a net drain on our economy
- Revising this ignorance of interdependency will require more pro-active approaches

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Interdependence through Trade

- Price of transporting goods has dropped, transporting people has increased 
- Commodity communities shrinking 
- Urban dependent on commodities  
- Rural manufacturing remains strong 

- We have also found that (S)Rural manufacturing remains relatively strong – in fact it has been gaining employment relative to Canada as a whole
- Challenge is to find new products and services to export



- Finding niche markets is a community and collaborative exercise [***Major point]
 - Requires matching local assets to global opportunities (both goods and services)
- Recognition of local assets is easiest to do locally.
 - (S) In Matawa, it was a local entrepreneur who redefined the waste cores from a plywood mill as valuable inputs for a business manufacturing bowling pins.
 - (S) It was the local citizens in Warner who realized they could turn their unoccupied arena into an international hockey school for girls.
 - (S) In Cap à l'Aigle, it was a municipal councillor who recognized a local lilac club as a basis for an annual festival that now brings in hundreds of people from around the world
- In all these cases, it was the local knowledge about the place, the people, the assets, and the networks in it which lay the basis for success.
- The importance of this local knowledge is one of the reasons why the OECD and many of its member countries have championed 'place-based' policy as an important ingredient for economic and social development
- These cases also illustrate how a place focus avoided the sectoral and departmental separation which so often gets in the way of innovation and flexibility.
 - To the Matawa entrepreneur the distinction between forestry and manufacturing was irrelevant.
 - The citizens of Cap à l'Aigle were not hampered by the government distinctions among municipal issues, tourism, finance, or trade – in fact, they made use of all of them when developing and implementing their strategies.
- The concurrence of assets, skills, networks, and knowledge in the same location necessarily created the conditions for inter-institutional collaboration: a point to which I will return
- But before that I would like to make a final point regarding exchange and trade issues

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Interdependence through Trade

- Price of transporting goods has dropped, transporting people has increased 
- Commodity communities shrinking 
- Urban dependent on commodities  
- Rural manufacturing remains strong 
- Metro-adjacent communities grow 

10

- Even while more remote communities are facing significant challenges with declining populations, the urban-adjacent ones are facing the opposite problem: (S) significant population expansion
 - Often welcomed as a source of economic growth, but it is a mixed blessing
 - Costs of service quickly outstrip revenues
 - Local lifestyles and values often clash with those of the newcomers
 - Sustainability of local amenities are often reduced – thereby undermining the reasons why people move there in the first place
 - Dramatically changes the nature of the interdependencies – as the commuters among you will know
- This movement of people creates a two-way flow that exacerbates municipal governance:
 - Who will bear the burden of the services they require?
 - How to manage the inevitable conflicts that arise?
 - Brings us to the second sphere of interdependence: institutions



- Institutions represent structures of rights, responsibilities, and entitlements
 - By virtue of the charters, rules, and roles, they organize both the people who are part of the institution as well as those with whom they interact
 - They not only constrain how we interact, but they largely guide us in the extent to which we have access to resources – both tangible and intangible
- It is no wonder then, that institutions provide a key focus for the consideration of rural and urban interdependencies
- In our research, we focused particularly on the role of institutions in the public and private sectors – both formal and informal
- Asking “How do these institutions structure interdependence among rural and urban centres?” we can identify some of the more important things we have learned
 - (S) Population and fiscal pressures have meant that access to services and governance have become regionally centralized and urbanized
 - This increases transportation costs for gaining access to these services – along with the extra demands on informal relationships to make the time available
 - Especially for the young, elderly, and infirm
 - (S) Since policies (by their nature) must be formulated in general terms (by those who do not have local knowledge), they often remain insensitive to the special characteristics of particular places – especially those which are smaller and more remote from urban centres
 - The potential for social exclusion of particular types of people or groups is, therefore, high
 - (S) Relating to the more formal urban-based institutions also demands unfamiliar skills of those in rural areas
 - Traditional norms are not bureaucratic and formal, but more informal ones: associative and communal – those found within volunteer groups and family relationships
 - Bridging the gap is often difficult
 - We have found that those voluntary groups with Boards of Directors and financial structures in place are more likely to receive financial and other forms of support, for example – disadvantaging those with more informal structures as a result of inexperience or volunteer burn-out in small populations
 - As a result, strengths in locally-based governance are not likely to be recognized and supported by more formal (external) institutions
 - To those in the outside institutions, it looks like inability or resistance to follow the basic rules, while
 - To those within the communities it looks like an imposition and insensitivity to local assets and strengths (undermining social cohesion and identity)
 - (S) The good news is that there are considerable opportunities for innovative responses to this mismatch
 - Often emerge as a result of the inadequacy of general policies to recognize and deal with local conditions



- (S)In Nelson, BC: The municipality saw an opportunity when the local hydroelectric dam was being sold
 - They weren't able (by law) to borrow money, so the town counsellors incorporated themselves, financed the purchase of the dam, and used the assets for regional community development (<http://www.city.nelson.bc.ca/html/hydro.html>)
- (S)In Miramichi, the provincial organizational structure was unresponsive to a crisis in the salmon stocks on the Miramichi river.
 - Interdepartmental disagreements made it very difficult to address an issue based on watershed so
 - The local citizens formed a committee of interested parties
 - Fishers, environmentalists, business-people, industries in the watershed, and municipal governments became involved
 - Developed policies and programs to ensure the sustainability of the salmon stocks – and in the process developed economic and social programs which benefitted the whole region
 - The committee became so important, that the provincial government had to collaborate with it on many issues affecting the region
- (S)The municipality of Seguin faced considerable frustration since each time it asked for tax increases to extend services to the rising number of seasonal residents in Parry Sound, it found that these newcomers would resist
 - They decided to revise their institutional practices to make sure that the newcomers would be included on the various committees
 - Soon they discovered that the resistance diminished as these newcomers
 - Came to understand the challenges that small towns faced with respect to service delivery, and
 - Made use of their urban-based personal and professional networks to search for innovative funding initiatives to cover some of the local costs
- Recognizing these opportunities requires input at multiple levels – and across the silos of government organization - something that can be enhanced by ensuring the institutional structures are inclusive of local and regional people and concerns

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Interdependence through Environments

- Water, food, footprints, global warming restructure interdependence understanding



<http://cwconline.org/>



<http://www.fraserbasin.bc.ca>



13

- The watershed committee provides a good segue into the third basis for rural-urban interdependence which I would like to discuss: our shared environments
- (S) Water, air, food, amenities, and global warming restructure our sense of interdependence
- In many cases there is a co-incidence with economic opportunities. For example
 - Community-based forests allow local capture of value and control
 - Natural amenities provide tourism and recreational opportunities
- But we have few mechanisms by which the **interdependence** is addressed and integrated into our economic and social organization
- A few examples illustrate the potential, however
 - (S) NY city began to worry about its water supply – recognizing that stressing the rural communities jeopardizes the quality of that resource
 - The Walkerton tragedy is a dramatic illustration of the potential danger in this regard
 - So they worked out an agreement with the communities in the Catskill mountains from which they receive their water
 - In exchange for maintaining the water supply in good shape, they provide the region with community development funds and expertise
 - Japan has recognized the importance of its rural communities for water quality – charging a surtax on water that is used for such development
 - France has recognized this interdependence through a surtax on food that goes to regional development
 - (S) The BC government has recognized the importance of watersheds as a uniting force and has established both the Fraser Basin Trust and the Columbia Basin Trust – the latter crossing international boundaries
 - (S) NGOs such as Ducks Unlimited and the Nature Conservancy are other ways in which these interdependencies are recognized and the efforts of rural people compensated rather than indirectly taxed through the imposition of environmental regulations.
- Our national survey showed that rural people share the urban concern with environmental stewardship
 - However, the existence of available services condition the manifestations of this concern
- These examples show how strategic alliances can be formed around shared recognition of environmental inter-dependence to the benefit of all

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Interdependence through Identity



- New interdependence challenges local identities
- Immigration reinforces urban hegemony


14

- The fourth basis for interdependence is not usually on the agenda
 - But our research has made clear how it remains a powerful unifying and dividing feature of our social relations – and one that is particularly tied to the rural-urban distinction
- Identity recognizes explicitly two important features of that distinction
 - First, no matter how we formally define the difference, people develop a sense or vision of rural and urban that guides their behaviour in many ways
 - Second, it recognizes that people form attachments to place
 - Enough to create strong reactions when they are challenged
- Globalization and mass culture have not eliminated the importance of family, ethnic, cultural, and local ties for people's understanding of the world and their place in it
- The tragic failures of Canadian Aboriginal integration and community relocation programs and the tenacity of many rural communities in the face of economic decline provide strong testament to the strength of these identity-based processes
- (S) Policies that fail to recognize how places and people-in-places form an important basis for our sense of self, view of the world, and our capacity to act in it, are liable to undermine the social and human capital on which those policies rely
- (S) This will become increasingly important with our future prospects regarding immigration
 - Just as urban places have had to learn how to deal with the cultural diversity implicated, so do rural places
 - Our immigrants are largely uninformed about the Canadian rural experience
 - Rural areas have not been particularly welcoming to newcomers – except for some remarkable exceptions
- Require attention to appropriate representations of rural and urban


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Rural and Urban are Interdependent


Trade and exchange




Institutions



Environment



Identity



15

- In summary, I have tried to outline some of the ways in which rural and urban regions are interdependent – and how the nature of that interdependence has changed
- I would now like to turn to the question of how we might respond to these changes in order to better position ourselves for the future

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Strategies

- Look to urban demand
- Identify global niche markets
- Integrate strangers
- Build social infrastructure
- Build all capacities
- Make interdependencies visible
- Consider regional opportunities
- Create venues for collaboration

16

- I will start with 8 suggestions emerging from our research
- Several are addressed to the rural-based policy-makers among you, but as you will see, even these carry important implications for urban, provincial, and federal policy
- I don't assume that these are exhaustive




First, rural communities must look to urban centres when considering their options

- Ste-Paule in the Gaspé region of Quebec was faced with a school closure
 - First they turned inward in anger and frustration
 - Because they had a very good school
 - Good teachers
 - Good student-teacher ratio
 - Good record in grades and graduation
 - Very nice building and infrastructure
 - (S)They just didn't have enough students – so their children would now have to be bused to nearby urban schools
 - Someone pointed out that what they liked about their school was what was missing in some of the more urban schools
 - (S)Why not bus the urban children to their rural school?
 - Went to urban parents in Matane with the advantages of their school and were able to convince them to send their children to the Ste-Paule school
- This illustrates the elements of a strategy that generalizes to most other communities:
 - Community objectives can often be met by
 - Identifying the assets
 - Looking outside for a demand
 - Figuring out how to meet that demand with those assets
- In the process, Ste-Paule maintained their education infrastructure and expanded the networks for the students in them – thus increasing their asset base

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Strategy: Identify niche markets

<http://www3.sympatico.ca/remi.rioux/lacledeschamps/>



<http://www.ccare.ca/> <http://www.fibroconcept.com/> 18

- Our research has demonstrated how going the route of the commodity treadmill is not a long term solution for smaller communities – it will simply exacerbate the population decline and external dependency which has created so many of the problems in the first place
- Instead, look for new goods and services to market – in the process seek to diversify the regional economy.
 - I've mentioned the examples of the girls hockey school in Warner, AB, bowling pins from plywood cores in Mattawa, and the liliac festival in Cap-a-l'Aigle
 - I can add to that with many examples
 - (S) Saint-Cyprien established a Centre for handicapped children (<http://www3.sympatico.ca/remi.rioux/lacledeschamps/>)
 - (S) An entrepreneur in Taschereau, QC produces fibreglass trailers for motorcycles
 - (S) In Springhill, NS a group organizes correspondence and liaison for 3rd world child support. As a result, millions of dollars are channeled through the local bank (Christian Child Care International - <http://www.ccare.ca/>)
- In all of these cases some key elements to make it possible were the local knowledge, community networks, and social connections with people outside the community (bridging social capital)
 - This provides an important role for regional and provincial governments – as brokers for information about those external opportunities
 - It also hints at another opportunity emerging from our next suggestion

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Strategy: Integrate strangers

South Central Settlement and Employment Services

<http://www.scses.winkleronline.com/>

19

- Migration and Immigration are a basic feature of Canadian society and will continue to be so into the future

- Almost 70% of our population increase in Canada is due to immigration and in 25 years we expect immigration to be the sole source of population growth

- This means the introduction of people with different values, interests, and skills.

- The initial response is often uncertainty, suspicion, and stress

- (S)Cap-St-Ignace faced the problem of anxiety about newcomers with a brilliant initiative.

- Identify 'Godparents' for newcomers and tasked them with making contact and conveying an invitation to a community dinner

- At that event they introduced the newcomers to the community and established a basis for support and future support activities.

- By learning about newcomers, reduce anxiety

- By contacting newcomers, fast track capacity building

- (S)I've already mentioned how Seguin significantly improved its capacity by integrating seasonal residents into its administrative structures rather than circling the wagons

- (S)The communities around Winkler, MB have created conditions where the rate of immigration rivals Toronto

- In seeking labour for their local industries they turned to their historical roots in the Mennonite migrations of the past

- Contacting their religious and cultural cousins in Central and South America, negotiating special arrangements with the Manitoba and Federal governments, and setting up numerous local groups to facilitate information sharing, institutional support, language training, and personal integration into Canadian society of the numerous people who responded to their invitation

- These newcomers bring skills, motivation, and perhaps most overlooked – networks that can provide new assets for community and regional development

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Strategy: Build Social Infrastructure

Tumbler Ridge Examples

- Health
 - Public health nurses
 - Alcohol/Drug counseling
 - Safe House Project
 - Victim Assistance
 - Block parents
 - Al-Anon
 - Literacy Group
 - Take-Off-pounds
- Education
 - Books Lapsit Program
 - TR Children's Centre
 - Northern Lights College
- Recreation
 - Darts club
 - Minor hockey
 - TR Boards, Bikes
 - Curling club
 - Happy Hookers
 - Red Hat Society
 - Quilt Guild
 - Museum Foundation
 - Ornithology Group
 - Legion
 - Community Arts Council




20

- The importance of social networks is also reflected in this next strategic suggestion from our research
- During this period of economic decline, the call for more spending on community and urban infrastructure is loud and clear
- However, our research indicates that the building of social infrastructure is as important as the roads, bridges, communication towers, and aqueducts of the physical infrastructure advocates
- This is especially the case in smaller communities and in those which experience the boom-bust economies of natural resource extraction
- The list of groups and activities in this overhead is an indication of the variety of social infrastructure that helped Tumbler Ridge weather the storm of a major mine closure in 2000
 - Much like Elliot Lake did here in Ontario
- These stories illustrates the importance of the well-established social infrastructure as a basis for surviving the bust period
 - By first of all building and then maintaining the services and venues for people to meet on a variety of bases (from formal to informal) conditions are created where social cohesion is fostered, commitments are formed, and people become motivated to continue those relations over time
 - The resiliency and growth of towns like Tumbler Ridge, Elliot Lake, Inuvik, Springhill, and Twillingate are all reflections of these dynamics: people devoting time and energy to seek ways to survive and thrive in the face of difficult conditions
 - It provides lessons which are relevant to large cities and even provinces or the country as a whole – there are just as many economic and social benefits to investing in social infrastructure as in physical infrastructure

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Strategy: Make Interdependencies Visible

- Food
- Water
- Environment

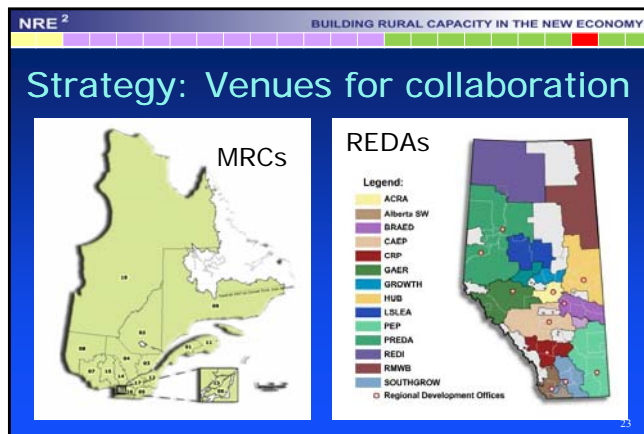


21

- I have tried to elaborate the many ways in which the fate of rural and urban regions and people are strongly linked
- I have also argued that this is not always visible – in our perception, in our institutional organization, and in our sentiments
- In order to make more appropriate policies, programs, and actions, therefore – it is necessary to increase this visibility so that we can get our choices and organizations working appropriately
- One of the best ways is to start with our common interests
- Work from those things that both rural and urban people are already concerned about
 - (S) Food
 - Teach urban people about food production – as they are doing at the Prairie Swine Centre in SK
 - (S) Farm visits and vacations
 - (S) Direct marketing (St-Damas)
 - (S) We also share a concern about water
 - This means teaching about the link between rural development and the water running out of the taps in downtown Toronto
 - It can be done in our schools by visits, science programs, and mass media (Canadian Gov't – teacher kits)
 - (S) It can also be done by urban street art as shown in this example (sewerfish: <http://www.canadiandesignresource.ca/officialgallery/index.php?paged=2&s=symbols>)
 - It reinforces the connection between sewers and fish – urban and rural
 - (S) Environment
 - (S) We can teach our children how air, water, soils are shared issues (air pollution and acid rain; agricultural stress and chemical use)
 - We can establish centres of learning such as they have done in Springhill around geothermic energy
 - (S) We can invest in research and production of environmentally friendly goods and services – especially those that are distributed
 - (S) We can support green communities (www.gca.ca)
- All of these are strategic examples of what I mean by building social infrastructure and revising our vision of rural and urban interdependence



- Recognizing this interdependence means building networks across communities (bridging)
 - There is often not sufficient critical mass within a single community – must look to the region.
 - When Tweed was interested in hosting our national conference, they realized they could not do it alone, so were forced to overlook years of animosity with three other local towns in order to make it work.
 - This success inspired them to establish a regional 'brand' (Comfort Country) which now attracts people to the region as a travel destination.
- Subsequently – I was pleased to discover – the Comfort Country initiative has become an inspiration for people in Walliston and Hastings counties
- (S) This type of regional view works well for larger centres as well – as demonstrated by the Edmonton-Northern Alberta Hub initiative in which the city partners with many of the small towns and regions surrounding it.



- I have watched with considerable interest, the variations in approaches to rural development that are reflected by our provincial governments
- In many respects, most have articulated the principles of governance that I have outlined, but with very different programs and with very different results
- Perhaps the greatest contrast in my mind is between AB and QC
- Both of these governments champion a bottoms up approach and encourage local municipalities to engage in an expanded mandate over local decision-making – moving beyond the maintenance of roads and water to include economic development and environmental stewardship
- But the institutional contexts of the 2 provinces are considerably different
- (S) Under the Levesque government, Quebec established a number of regional boards (MRCs) (sometimes against substantial opposition) composed of mayors and municipal representatives with a mandate for regional development and resources to support it. The emphasis was on regional development – cross sectors and inclusive of social development.
- (S) In Alberta, the approach was more laissez-faire – where regional collaboration was encouraged, some resources were allocated to regional groups if they requested and justified it, but there was little consistent pressure for such collaboration (Regional Economic Development Alliances). The focus was clearly on economic development.
- The results have been dramatically different at the local level.
- In Quebec there are many examples of regional initiatives – tailored to local conditions and themselves providing a basis for second-order activities in small places
 - Over the 20 or so years of their operation within this new regime, local municipalities have learned how to use the regional structures to voice their concerns, debate, negotiate, compromise, and collaborate with other municipalities, and in turn, to negotiate with the provincial government on behalf of their region and village or town
 - In turn, the provincial government has discovered the value in subsidiarity – now allocating responsibility to the regional boards for a wide range of economic and social policy and programs, and (most importantly) showing confidence in the decisions and accountability of the MRCs – making the governance of the province both more efficient and effective
 - This system of consultation has even become more elaborated with the recent emergence of regional round tables – with more issue-focused objectives
- In Alberta the situation on the ground is very different
 - A few regions have taken initiative, formed their own corporate bodies, and moved ahead, largely on their own steam
 - Most municipalities, on the other hand, were unable to get beyond their protectionist traditions to reach agreements with their neighbours around the complex challenges they faced – either denying that conflicts of interests existed or refusing to discuss them in any but the most limited terms
 - In the end, the provincial government simply made the decisions for the municipalities, pointing to the failure of regional collaboration, lack of accountability, and the pressure of time as a justification for top-down management
- What are the lessons here?

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Collaboration lessons

- Strong regional institutions
- Multiple venues of interaction
- Clear rules of accountability and representation
- Common language and understanding
- Patience and tolerance

Budget for Breakage

24

- First: Bottom-up development needs an institutional context of strong regional governance to make it work
- Second: The inevitable conflicts of interest that emerge require multiple venues for expression, negotiation, and the compromise that are necessary for action
- Third: Relations of accountability and representation are necessary ingredients for establishing an adequate level of trust for the system to work
- Fourth: This requires the development of a common language and understanding for collaboration
- Finally: all of this requires a spirit of patience and tolerance by people and institutions that are not favourably disposed to either of these
 - It took Quebec 20 years of stressful and sometimes acrimonious work to get to the point they are today
 - When I spoke to the Carcross/Tagish elders about their plans for the reorganization of their people in the Yukon, they reminded me that it took 7 generations to get into the mess we are today – so they felt that 7 generations was not an unreasonable time frame to think about getting out of it
 - From an institutional point of view this means (S) ‘budgeting for breakage’

NRE² BUILDING RURAL CAPACITY IN THE NEW ECONOMY

Conclusions

- Rural and Urban are interdependent
- Commodity economics are a rural burden
- Agglomeration economies are trump
- Look for local assets and competitive advantage
- Facilitate regional collaboration
- Build local capacities (including social infrastructure)

25

- In conclusion, I would like to emphasize the following points
- (S) Rural and Urban regions and places are interdependent
 - Must understand the nature of that interdependence and find the opportunities it provides
 - Both are necessary for a strong economy and society
- (S) Commodity economics – although essential to our national wealth, this approach is a rural community millstone
- (S) Agglomeration economies and population migration place urban areas at an advantage – at least for now
 - Our urban centres have more access to the mechanisms of power and influence
- (S) Rural areas must, therefore, take initiative and build their capacities under the new conditions
 - Urban areas are preoccupied with their own challenges
 - This means focusing on local assets and the competitive advantages they provide
 - Local citizens and groups are in the best position to know this – and are most committed to it
 - But they need to know about external opportunities
- (S) Regional collaboration is essential to improve critical mass and increase competitive advantage
- (S) Provincial governments are in a strong position to facilitate this capacity-building
 - Serious approach to local involvement
 - Strategic use of regional bodies
 - Multi-sectoral and multi-institutional approaches
 - Place-based/sensitive approaches
 - Support for social infrastructure as much as physical infrastructure

NRE² BUILDING RURAL CAPACITY IN THE NEW ECONOMY


Rural-Urban Interdependence in the New Economy


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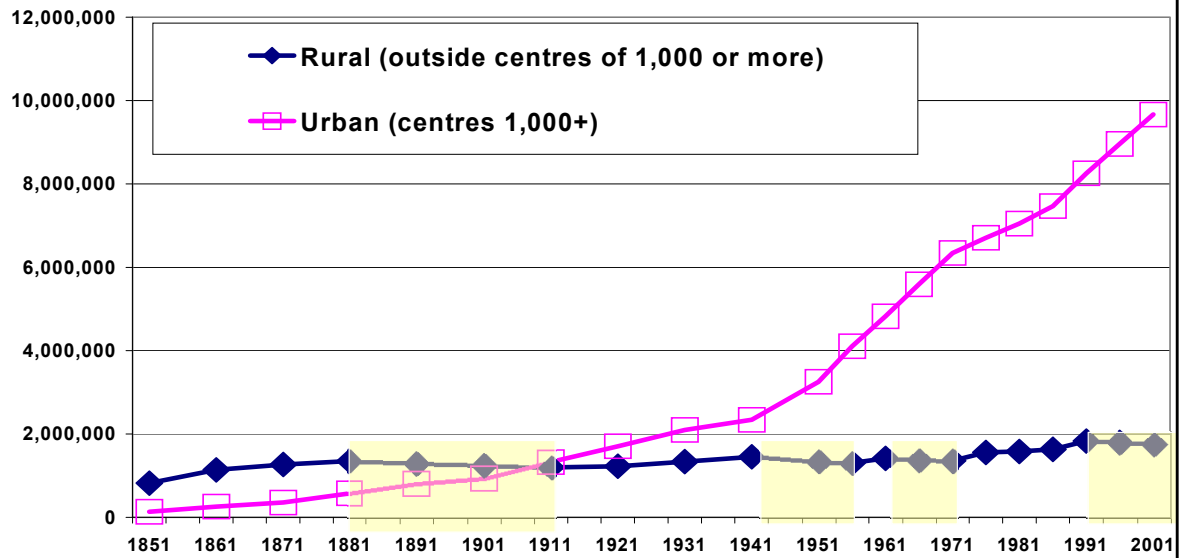
Social Sciences and Humanities Research Council of Canada
 Conseil de recherches en sciences humaines du Canada

26

- We are facing radically new conditions from even 50 years ago
- Our ways of thinking, the way we organize our institutions, and ways of meeting these new challenges must better reflect the new conditions or we will simply exacerbate the problems
- New alliances among our rural and urban regions will go a long way to overcoming some of the major obstacles to that change
 - They will help us get a better understanding of the opportunities emerging in those regions
 - They will help us get beyond the differences in interests and conflicts that will be an inevitable part of the process, and
 - Such alliances will help us develop more accurate and sustainable visions of the interdependence between rural and urban regions
- The goal, after all, is not to build a stronger urban Canada or a stronger rural Canada, but to jointly build a strong Canada that combines the strengths of both

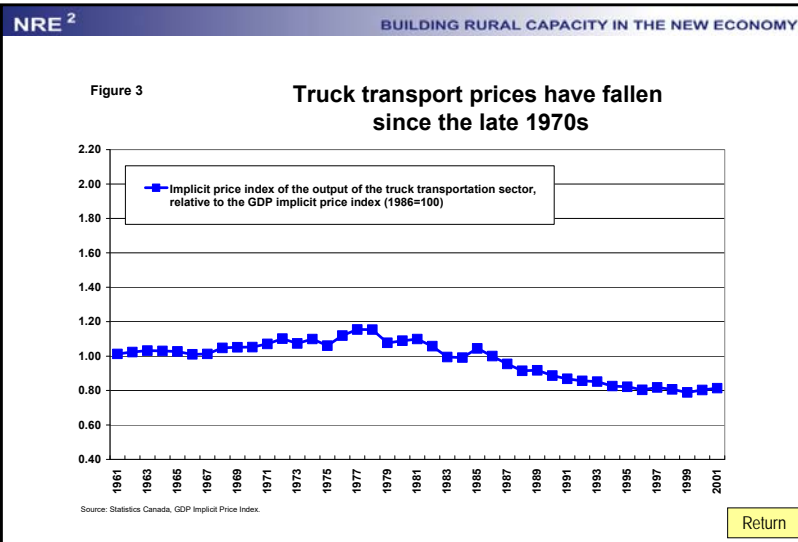


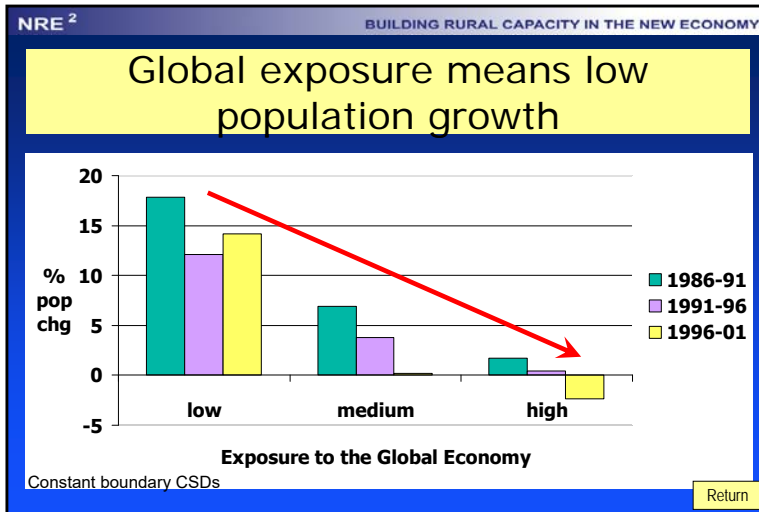
Population trends: Rural minority in Ontario in 1911



Source: Statistics Canada. Census of Population, 1851 - 2001.

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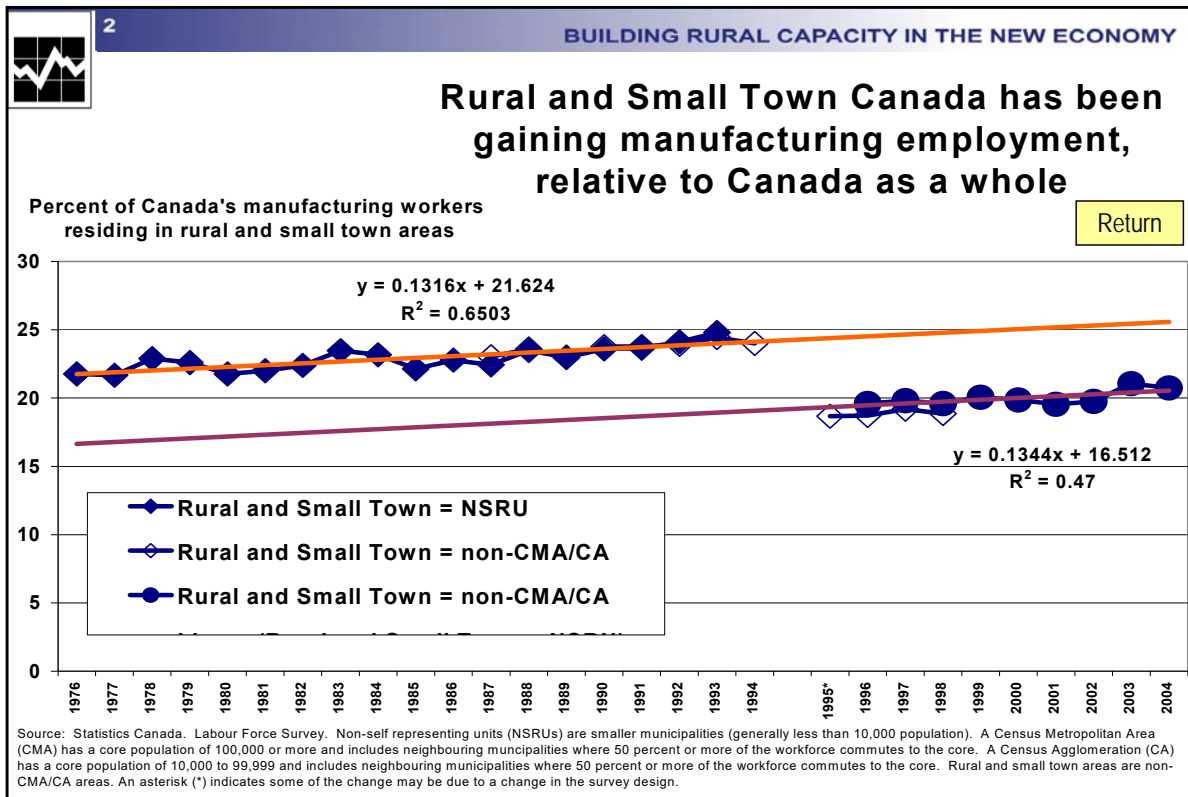


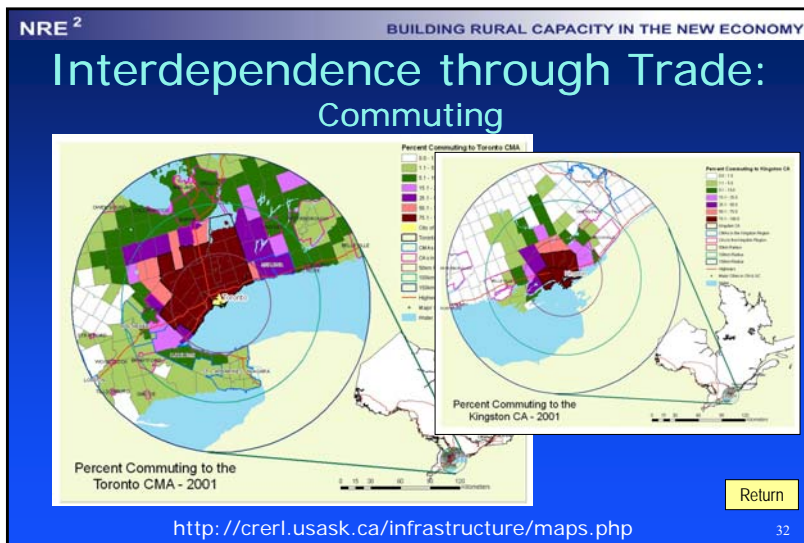
Here is an example of some of the many results our research has developed

- Increased linkages to the global economy can create significant challenges
- (Ss) Graph showing the relationship between integration into the global economy and population change for small rural locations
- (S) The linkages of commodity trade have been very beneficial for our balance of payments (80% of trade surplus contributed by primary products) but it has undermined the population of rural communities
- This decline in population has been exacerbated by the centralization of services and inflexible governance structures
- Cost-cutting actions have decimated social infrastructure as well as threatened physical infrastructure.
- This may be shortsighted.

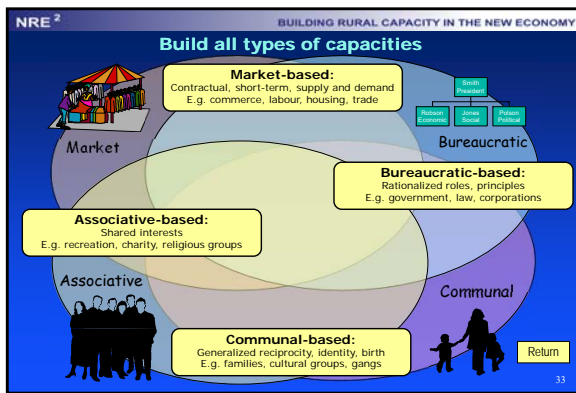


- In this graph of Ontario's international balance of trade – we see that forestry and automobile manufacturing are the 2 sectors which remain positive (ship more than Ontario receives)
- This graph does not take into account the interprovincial trade
 - Latest numbers are for 2004 and are organized into different categories
- Note the considerable negative balance of payments for the total bar
 - Ontario receives much more than it sells internationally
 - Potentially vulnerable to those international markets





- (S) The influence of urban labour markets extend well beyond municipal boundaries – as shown by these figures provided by Mark Partridge and his research centre
 - They show the percent of people commuting to urban centres
 - The commuter-shield for Toronto extends 150 km
 - (S) the shield for Kingston extends 100 km
 - Both of these are well into other governance jurisdictions
- Create two-way flows that exacerbate municipal governance: who will bear the burden of the services they require?
- How to manage the inevitable conflicts that arise?
- Brings us to the second sphere of interdependence: institutions



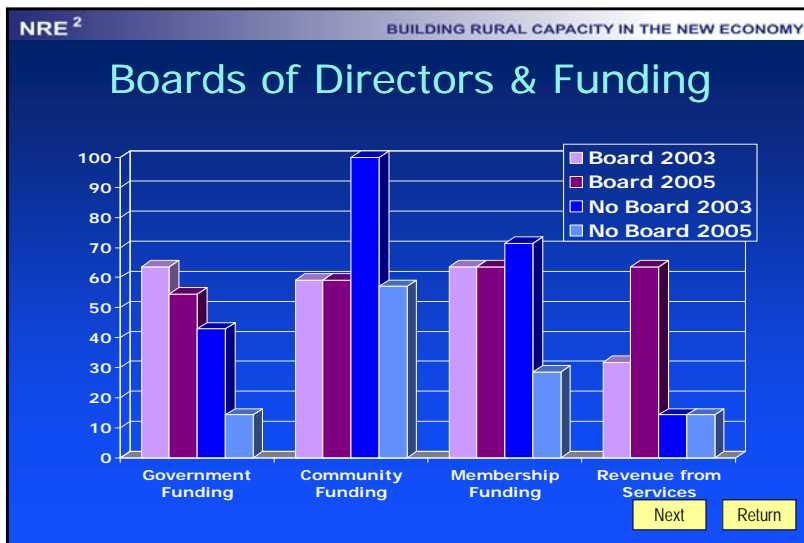
- Our research has also made clear how important the range of different types of networks are to the revitalization of rural communities
- They play an important role in the institutional linkages between rural and urban as well
- Identified some important lessons:
 - Social relations come in many forms ((S)market, (S)bureaucratic, (S)associative, (S)communal)
 - These forms link people and groups in different ways and to different institutions
 - To access the resources and services of these institutions, it is necessary to develop the capacity to function well in these different types of social relations
 - The new economy favours market and bureaucratic over associative and communal
 - Most rural communities are traditionally stronger in associative and communal than market and bureaucratic
 - But we did find that associative and communal networks can and are used to build market and bureaucratic under certain conditions
- By recognizing these different types of strengths and the complementarities between them, numerous options are opened for business, policy, and local action
 - [Public utilities or transportation companies might contribute their organizational skills or networks to facilitate access to markets for local entrepreneurs or municipalities]
 - Municipal, provincial, or federal governments may invest in communal relations to compensate for policies that undermine associative ones (e.g. greater mobility)
 - Businesses may better recognize the economic benefits of investment in associative or communal relations (directly or indirectly through the sharing of facilities or expertise)
 - Bureaucracies might compensate voluntary organizations to meet the accountability demands that undermine the associative relations]
- Primary thing to note: All forms are necessary in a complex, changing environment - The more agile a group or community is in being able to use all systems, the greater will be their capacity - especially under conditions of change. Each of them forms a basis for people working together.

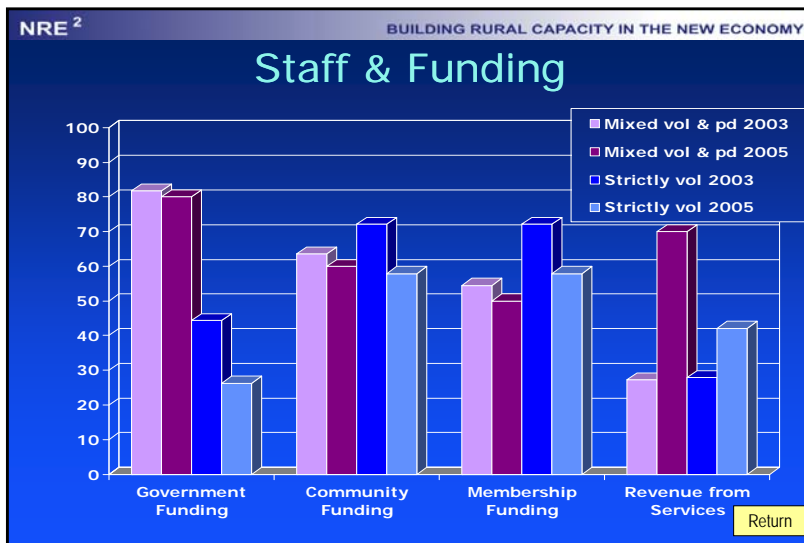
Health Professionals - Local

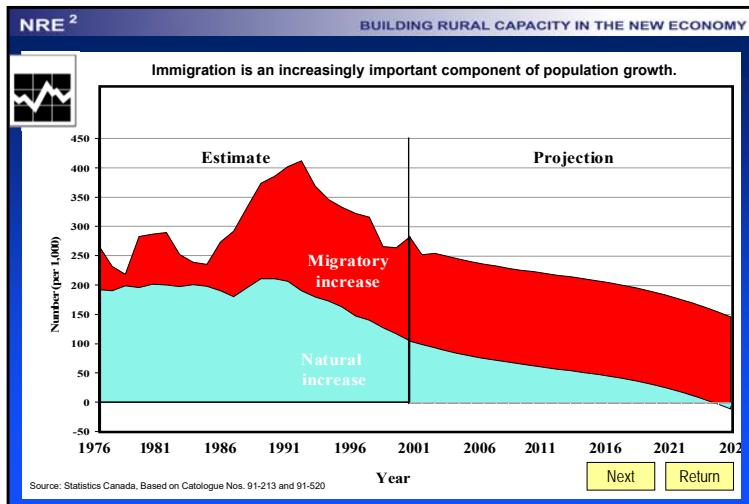
Services – All Sites (% yes)	1998	2005
Doctors	47.4	42.1
Nurses	52.6	36.8
Dentists	36.8	31.6
Optometrist	15.8	21.1
Dental surgeon	15.8	10.5
Home care visits	47.4	68.4
Social workers	42.1	26.3

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- Reduction of access to health professionals in our sites

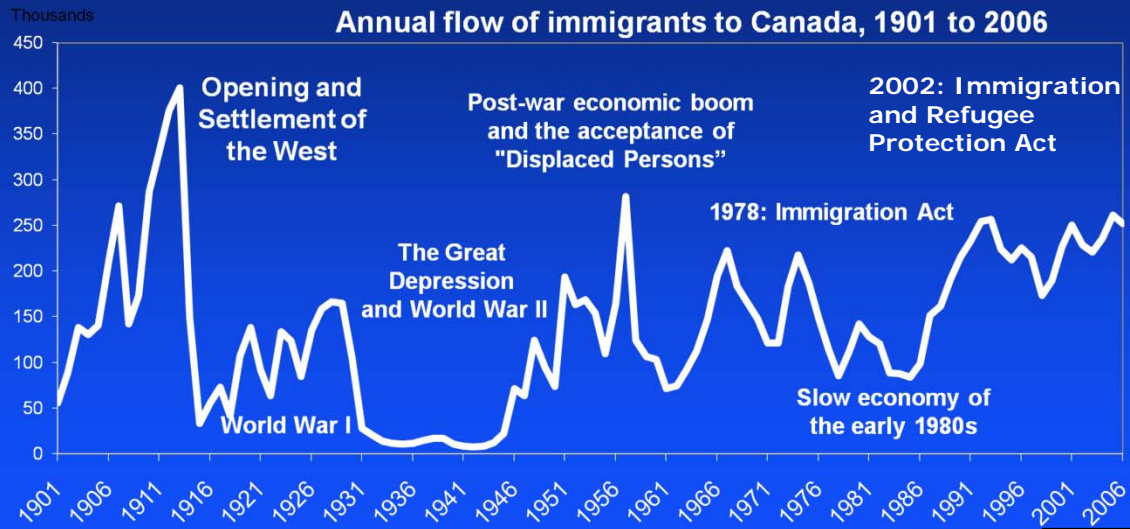






- Immigration is an increasingly important component of population growth.
- In 1976, natural increase (births minus deaths) represented over 80% of the demographic growth in Canada. Today, the situation is almost reversed as immigration represents close to 70% of the growth.
- If current trends continue, in less than 25 years, immigration will be the only growth factor, as natural increase will be negative.

Canada has welcomed over 1 million immigrants during the first five years of the millennium

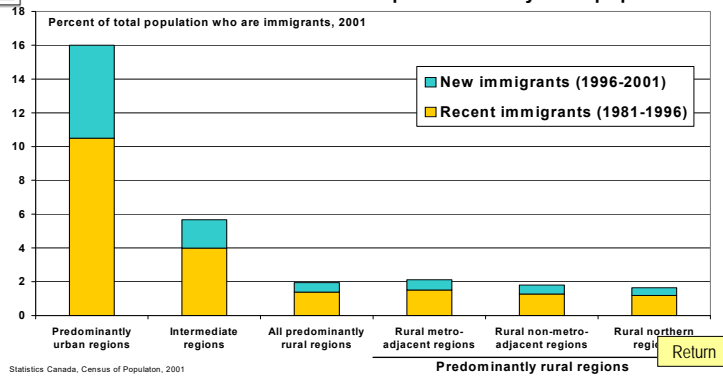


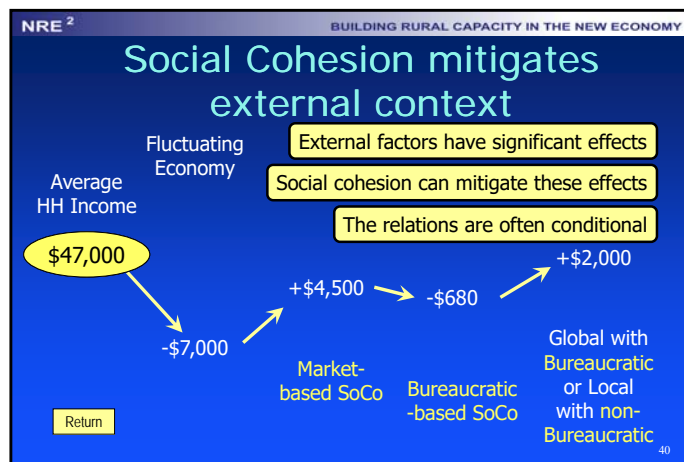
Source: Citizenship and Immigration Canada.

- CitizenshipAndImmigrationsmr08_098_e.ppt



Recent and new immigrants represented a low share of the predominantly rural population





SoCo -> Income

- One of the major advantages of a systematic study such as the NRE
 - Allows us to estimate interactions among variables: Relative, Additive, Conditional effects
- What happens to a rural community that faces a fluctuating economy?
- (S) Focus on household income for simplicity
- Multiple regression analysis
- (S) If household is located in a site with a fluctuating economy -> Decrease of \$7,000
- (S) If they rely on market-based social cohesion -> Increase of \$4,500
- (S) If they rely on bureaucratic-based social cohesion -> Decrease of \$700
- (S) However: important interaction effect between Globalization and reliance on bureaucratic-based SoCo
 - Bureaucratic-based in Global or Non-bureaucratic-based in Local economy: higher incomes (+\$2000)
 - Bureaucratic-based in Local economies or Non-bureaucratic based in Global: lower incomes (-\$2000)
 - Perhaps:
 - In Global economies -> best strategy is to build bureaucratic-based social cohesion
 - In Local economies -> best strategy is to build other types of social capital
- Summary
 - (S) Many factors beyond the control of local people: Global, Fluctuating, Location
 - (S) Still some ways in which local action can mitigate those exogenous factors
 - (S) Beware of generally applied policies – many conditional effects
- Included education in the equation:
 - Not as large an impact (standard error) as Market-based SoCo
 - Not as large an impact as Stability in the economy
 - Increased income by about \$3200

• R^2 Adjusted = .281

Constant	\$10,346		Associative	\$573	.077
Market	\$445	.517	Bureaucratic	-\$680	-.074
Stability	\$7167	.129	Cap x Ause30	-\$876	-.059
Communal	-\$1097	-.110	High Cap	\$2667	.051
Glo x Buse30	\$1917	.105	Stb x Cuse30	-\$868	-.042