

NRE² BUILDING RURAL CAPACITY IN THE NEW ECONOMY

**Collaborative, Comparative,
Comprehensive Research in Rural
Canada: observations and implications**

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- CRRF
- NRE Research Team
- Rural Citizens in our field sites
-
- Was asked to speak about some of the insights from our NRE Project – with particular attention to the ways in which the project has contributed to policy development and improvement
- Ray Bollman and I have written the paper around 14 key observations and insights that have structured our thinking about rural Canada, rural research, and rural policy: in fact, now about national policy
- Will focus only on 3 of these, with some speculation about how this has contributed to our vision for rural Canada and national policy
 - Invite you to go to the paper for the full list (constantly growing and changing)
 - Will be on the NRE web site shortly

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Observations - 1

- Rural Canada is diverse
- Primary industries are shedding labour
- Manufacturing and services competitive
- Social capital is critical
- Environment more important
- Knowledge-intensive employment growing
- Communication and transportation price falling

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- Observations arise from 18 years of collaborative work of the Canadian Rural Revitalization Network
- Including 8 years of focused research under their NRE Project
- Go through them quickly here
 - Invite you to go to the paper
 - Engage in discussion while I'm here

Observations - 2

- Youth leaving, families returning
- Industry has concentrated
- Government services more centralized
- Rural aging fastest
- Rural perceived as safe
- Immigration strong
- Rural and urban Canada are interdependent

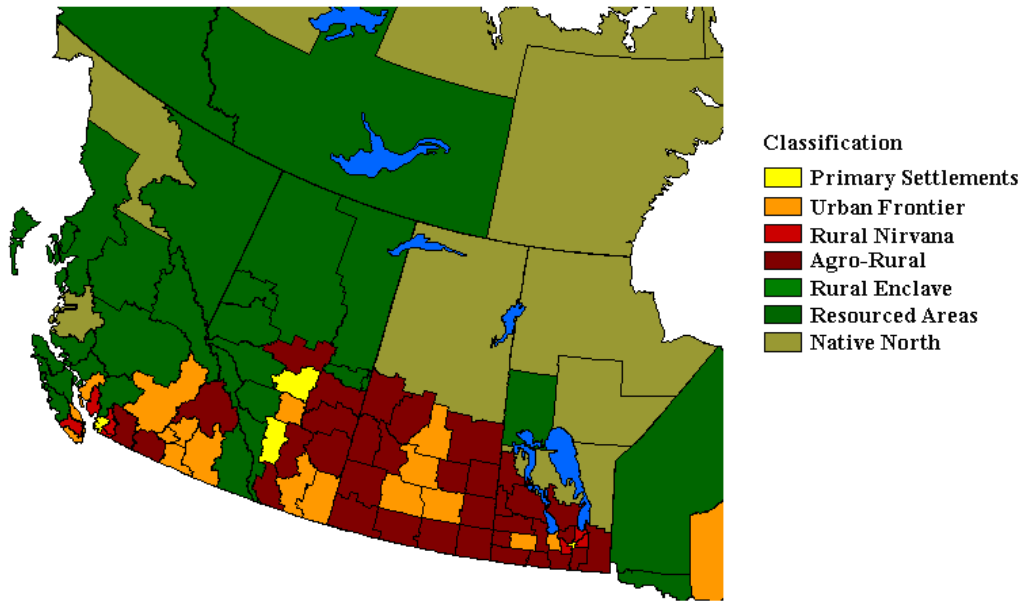
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- Will focus on 3 only:
 - Diversity
 - The role of social capital
 - Rural/urban interdependence



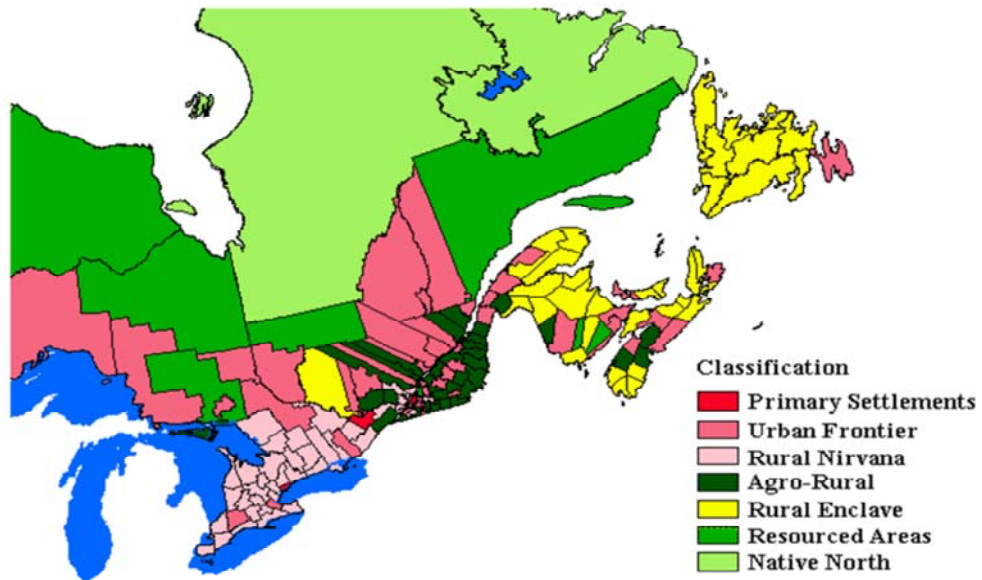
Rural Canada is diverse

- rural = small towns, Northern regions, sparsely settled areas
- settlements outside of Metropolitan and Major Urban centres – 10,000 pop or less
- Seems obvious, but not reflected in:
 - General analysis
 - Many policies
 - Is to some extent a methodological comment
- From a policy point of view it is important to identify **Which are the differences that matter?**
- Tendency to look at this from the point of view of outcomes (employment, income, poverty, health, social cohesion)
 - Since this is the mandate for most government
 - Strategy: design programs to respond to outcomes (Employment insurance, welfare, health treatment)
 - Or focus on descriptions of diversity based on similar characteristics



•These maps show eastern and western provinces in more detail.

A Preliminary Typology of Canada Eastern Canada



- These maps show eastern and western provinces in more detail.

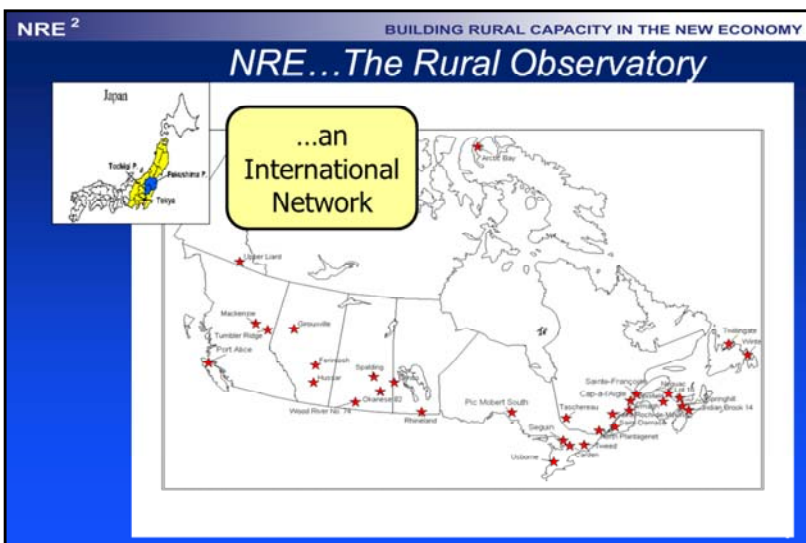
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The NRE Sample Frame

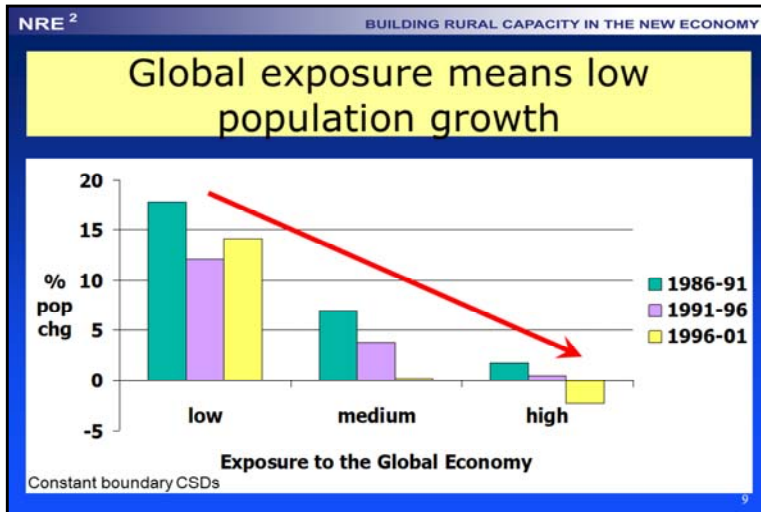
			High Capacity		Low Capacity	
			Lead	Lag	Lead	Lag
Global Exposed	Fluctuating	Adjac.	175	27	46	15
		Distant	251	13	124	44
	Stable	Adjac.	4	26	8	19
		Distant	5	16	18	30
Local Exposed	Fluctuating	Adjac.	4	5	4	9
		Distant	12	16	5	13
	Stable	Adjac.	12	100	7	45
		Distant	15	99	16	56

The Distribution of CSDs by the 32 types of cells

- However:
 - This does not tell us the most about processes that lie behind those outcomes (post hoc).
 - This may not address the long term conditions affecting those outcomes
 - E.g. Unemployed are a mix of many types of experience: chronic, acute, slight, deep, male, female, single, with children – and processes involved are likely to be very different
- Thus, we must focus on the drivers of these processes and develop policies that address them
- NRE designed to do this
 - What are the key drivers for rural revitalization – for now and in the future?
 - What strategies and policies are most appropriate for responding to them?
- Strategy:
 - Identify best guess at drivers
 - Select sites to allow comparisons on drivers
 - See if the claims about them are supported
 - Identify the processes involved
 - Explore policy options to address them
- Key drivers of rural revitalization
 - (S) Globalization
 - (S) Economic stability
 - (S) Metro-adjacency
 - (S) Institutional capacity
- Sample procedure
 - Identify all rural CSDs using available information
 - Randomly selected one site from each cell
- Took it to our regional partners and discussed:
 - the accuracy of the classification from the basis of their knowledge
 - existing research activities related to the selected sites
 - strategic opportunities arising from the selection
 - If changes were warranted
 - make substitutions from within the same cell
 - This serves as the basis for our ‘Rural Observatory’
- NOTE: The diversity of rural Canada
 - 706 Leading CSDs
 - 533 Lagging CSDs
 - Index based on National standards – yet makes clear that not all of rural Canada is in decline



- Generally positive response from site people
- Several unable to respond because of burnout – part of our research learning
- Actively involved with 21 sites – (S) plus 2 from Japan
 - A Rural Observatory
 - They participate in research
 - Workshops annual
 - Exchange C-J
- Reflects our long-term commitment to the sites
- Significant advantages to learning
 - For us
 - For sites
- NOTE:
 - This is not a representative sample – although we know precisely how these sites and HHs relate to the national distribution since they are systematically selected within the broader distribution of sites
 - We are constantly updating it
 - It is a strategic sample
 - Allows us to conduct intensive collaborative research in a clear comparative structure.
 - Allows us to take advantage of the power of comparison for insights
 - Allow us to validate the role of the key dimensions by continuously ground-truthing or claims and insights
 - Links our NRE network with a common focus
 - Links us beyond this network to other researchers and their research sites since we know where they would fit in our framework
 - Turned into a significant base for building national research capacity
 - Became a pool of long-term experience into which policy-makers can dip to address the short-term questions and crises that they face (although we would prefer that they jump into this pool rather than just dip in it).



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.

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Policy Implications - 1

- Manage tradeoffs: commodity economies and community vitality
- Regional collaboration strategic
- Local adaptation to policies critical
- Local learning and power critical

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Policy Implications - 1

- Commodity production successful for trade balance but undermines communities
 - Must manage tradeoffs
- Community asset bases relatively specialized
 - Therefore regional collaboration strategic
- One policy does not fit all
 - E.g. Remote: local economies critical; Metro-adjacent: global economies means employment growth
- Local community learning and power critical to identify and manage local assets and liabilities

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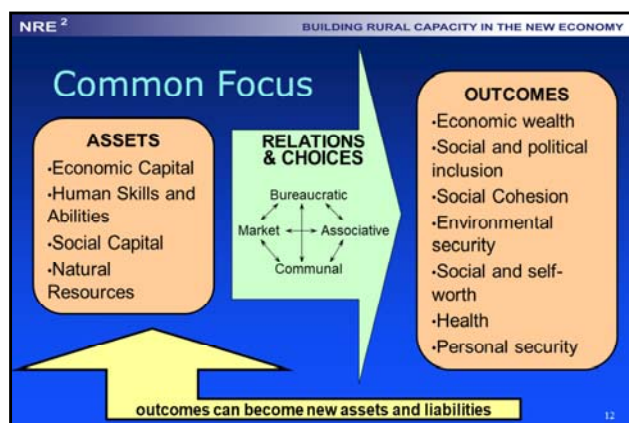
Social capital is critical



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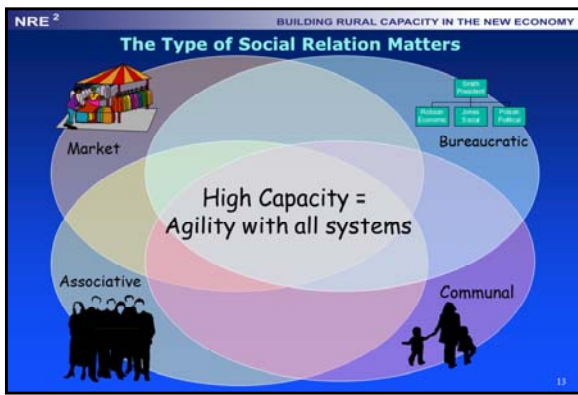
Second observation on which I will focus: Social capital is critical for rural revitalization

- Traditional human capital variables only account for about half of the variation in employment and other indicators of well being.
- Institutional and social capital have been identified in the literature as a critical missing element
- Little information or analysis of these aspects
 - Require intensive locally-focused research
 - Case study ideal, but only in comparative context
 - This was the other major reason for the strategy we adopted: case studies in a systematic and comparative framework

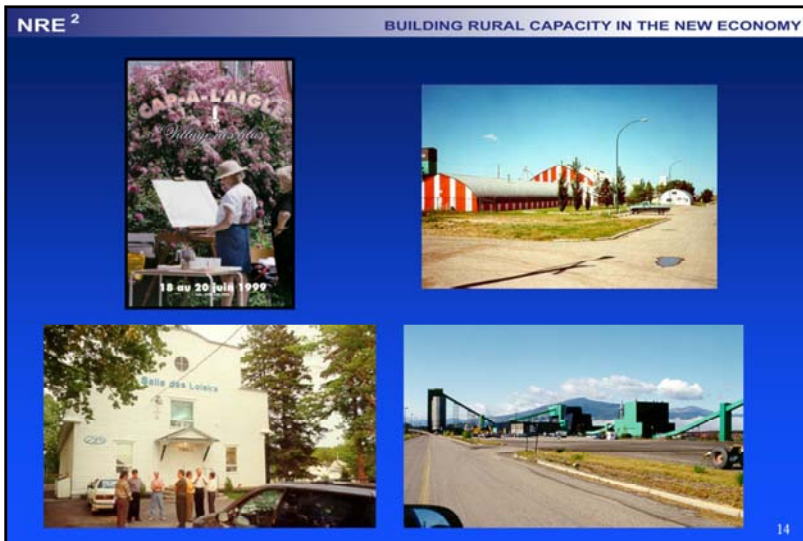


We approach this using a framework for capacity that emerges from our earlier NRE work

- Has served us well as a tool for investigation and focus
- We use it – not as NRE orthodoxy – but a point of reference for our work and a foil for the development of our understanding of the processes
 - We are continually changing and elaborating it (dynamic)
- (Re)vitalization occurs when capital and resources are (re)organized to produce desired outcomes. The ability of rural communities to do this in a successful fashion is what we refer to as the community's capacity.
- (S) Assets:
 - Multiple types: we have identified some of the major groupings, but there may be many other classifications
 - Must move beyond a focus on single asset groups (e.g. agriculture, fishing, forestry, mining, tourism, etc.)
 - See how they inter-relate
 - Social capital is under-valued
 - It can enhance the quality and usefulness of the other types of assets
 - Investment in social capital can improve or modify those other types to make them more useful
- (S) Types of relations by which (re)organization of assets takes place
 - Multiple types of relations
 - Basically social: People getting together to identify/recognize assets and take action to reorganize them into outputs
 - Done in many different ways
 - We have classified them into 4 basic types to capture this diversity and provide a focus for thinking about the variety of strategic options for rural people and policy-makers
 - We tend to fixate on one or the other, but all types can contribute to producing valued outcomes
 - They do it in different ways
 - Can reinforce each other
 - Can inhibit each other
- (S) Outcomes:
 - As with assets, can be identified in various ways
 - We have identified the types of outcomes that are particularly important for sustainable development
 - Particular attention to social cohesion since this is a feature about which we have expertise, it is under-researched in the rural context, and it plays a key role in local community development
- (S) Feedback
 - The outcomes can become new assets
 - They can also become liabilities
 - 'Us' and 'them' mentality between community and tourists
 - Economic objectives for lilacs conflict with original hobby interests
- Our focus for this model:
 - How can it help us to understand the processes involved in building capacity?
 - What does it suggest for strategies relating to the building of capacity?
- We have identified the social relations as a key element to answering these questions
 - The identification and re-organization of these assets relies on multiple types of social relations (cf. next slide)



- This insight arises from our recognition that social relations are key to community capacity and revitalization
- Social relations are organized in different ways
 - They can be identified by their network structures: bonding, bridging, linking, density, distribution, etc.
 - They can be identified by their normative structures: Expectations, norms, institutions, rights, obligations
- We have focused on the different types of normative structures that organize and support social relations
 - They are all different and integrated
 - Using the social science literature (Anthropology, Economics, Sociology) we have found a division into four types of social relations to be particularly useful
- Each type of relation is supported and enforceable by socially recognized institutions (norms, entitlements, laws)
 - (S) Market relations (e.g. commerce, labour markets, housing markets, trade)
 - Based on supply & demand, contracts
 - Supported and controlled by trade agreements, competition legislation, labour law, better business bureau, and the courts
 - (S) Bureaucratic relations (e.g. government, corporations, law, formal organizations)
 - Based on rationalized roles, authority and status, generalized principles
 - Controlled by legislation, corporate law
 - (S) Associative relations (e.g. baseball, bridge clubs, environmental groups, meals on wheels)
 - Based on shared interest
 - Controlled by civil law, municipal by-laws, social norms, and informal sanctions
 - (S) Communal relations (e.g. families, friendship networks, gangs, cultural groups)
 - Based on family, reciprocity, favours
 - Anthropologists (esp. Sahlins) refer to these relations as generalized reciprocity: a gift that does not have to be paid back in full
 - Controlled by informal norms, legislation, family law, and government support agencies
- The systems by which they are organized can reinforce or conflict with one another.



- The recognition of these different types can be used to overcome challenges and build on local strengths:
 - Cap a l'Aigle: municipal government invests in associative relations to position itself for accessing bureaucratic-based financial support
 - Hussar: taxes its market and communal relations to build an arena: on the promise that this will in turn build communal, associative, and market relations – both locally (bonding) and externally (bridging)
 - Ste-Françoise: uses its capacity in communal and bureaucratic relations to negotiate the relocation of a pig farm to protect its market, communal, and associative interests
 - Tumbler Ridge: reorganizes its local housing and housing infrastructure to diversify its economy into tourism from mining – made possible through its capacity in associative and bureaucratic relations.
- 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 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 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.

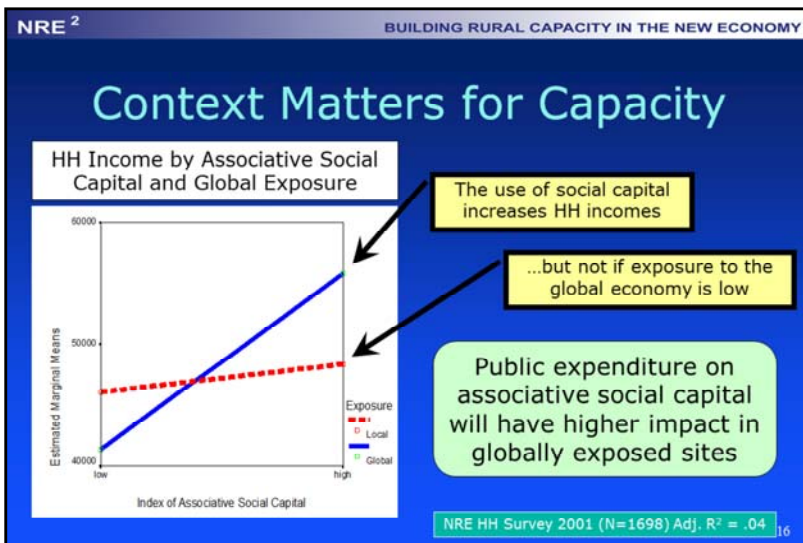
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Social capital is changing

- From Associative and Communal to Market and Bureaucratic
- From local to regional
- These changes stress local voluntary groups
- Market and associative support economic performance
- Stresses and impacts vary by context

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- The nature of social capital is changing (not necessarily decreasing as Putnam argues)
- How has the comparative element of our project contributed to this insight?
- The type of social capital required is changing
 - Normative Structures: From Associative and Communal to Market and Bureaucratic
 - Social capital supports market/economic outcomes
 - Network Structures: From local to regional
 - Bridging and linking social capital become critical for local development
- These changes put stress on local voluntary groups
 - Normative structures and social organization vary from bureaucratic
 - Population mobility challenges volunteer pool
 - Examples of the way in which the different types of normative structures are not always mutually reinforcing
- Social capital supports economic performance
 - Market and associative support economic performance
 - Bureaucratic and communal provide safety net – most often in combination
- Stresses and impacts vary by context
 - E.g. Use of social capital in globally connected sites has higher impact on incomes than in locally connected sites.
 - Can be seen in our analysis of the NRE sample frame characteristics



•The Context Matters

- Graph shows the interaction effect of household incomes by associative-based social capital and the level of exposure to the global economy
- It illustrates the importance of context on the relationships identified
- The use of associative-based social capital increases household incomes
- However, this is only true for sites that are relatively well connected with the global economy.
- Policy implication: Public expenditure on building associative-based social capital will have a higher impact in globally exposed sites over locally exposed one.

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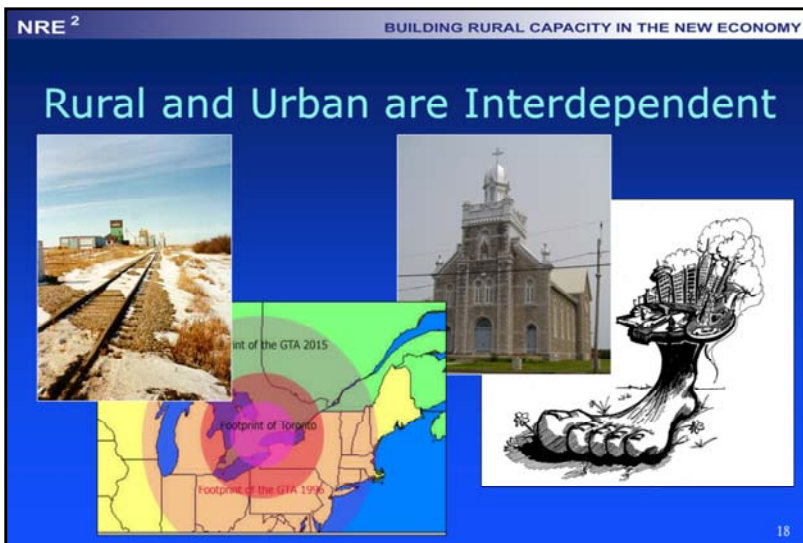
Policy Implications - 2

- Available social capital is not always used
- Social capital is not always positive
- Social capital norms can undermine alliances
- Context affects social capital impacts

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Policy Implications – 2

- Available social capital is not always used (by everyone)
 - Therefore building social capital is only periodically effective
 - Need the research that will identify the conditions under which it is used
- Social capital is not always positive
 - Can be exclusive within and across groups
 - Need the research that will identify the conditions where it is effective and inclusive
- Social capital normative structures can undermine partnerships
 - E.g. Bureaucratic requirements for fair access and accountability can undermine Associative requirements for the effective accomplishment of common interests
 - Bureaucracies need to pay for their special characteristics
- Context affects impacts of social capital
 - Needs flexible and locally appropriate policies and programs



- In Canada – there is a growing influence of urban regions over the national agenda
 - Is a reflection of our high level of urbanization (80% and growing)
 - Has been mitigated to now by:
 - The importance of the rural economic base
 - Political structures favouring rural representation
- Is changing rapidly
 - Small window of opportunity
- Needs rural initiative
 - Must position rural Canada and Canadians for these new conditions
- Strategic actions:
 - Document and elaborate the interdependence of rural and urban economies, social relations, and futures
 - Urban Canada needs a strong rural Canada
 - Rural Canada needs a strong urban Canada
 - How can we make these interdependencies visible and work for all of us?

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Rural and Urban Interdependence

- Trade and commerce
 - Goods, Finance, Services, People, Information
- Functional integration
 - Carbon sequestration, water protection, recreation
- Institutional integration
 - Health, education, social economy, NGOs, family
- Common environments
 - Water, air, climate
- Common identities
 - Local, regional, national, international

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Linkages among communities are multiple and complex

- We have identified the following types of linkages among communities
- They are not meant to be exhaustive, but to act as a point of reference to ensure a broader level of inclusion in our analysis
 - (S) Flows related to Trade and commerce
 - Goods
 - Finances
 - Services
 - People
 - Information
 - (S) New functions and complementarities of functions that bind us together.
 - Carbon sequestration, protection of water supplies, recreation, alternative life styles for those who find urban living difficult, resiliency for our social system in general are all provided by rural places.
 - (S) Formal and informal institutions
 - Health, education, link places in policy and action
 - Social economy, NGOs, social groups, and families
 - (S) Common environments
 - Water, air, climate – and related issues: food, bio-diversity, are emerging linkages
 - (S) Perceptions, values, identities, ideologies
 - Communities of place, virtual communities, region, national, international
- All of these must be considered when examining linkages
- We must also recognize that under certain conditions they reinforce one another, but under other circumstances they can work at cross-purposes.
 - International trade has undermined communities
 - The stressing of communities has thrown traditional identity formation into anomie
 - Reflected in suicides, family stresses, urban poverty (rural problems exported to urban)
 - Urban ability to absorb these challenges (e.g. labour) are being reached
 - The urban ecological footprint is unsustainable in the long run

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Policy Implications - 3

- Rural largely on their own
- Look to urban interests
- Strategic interdependence
 - Food, water, environment
- Develop common forums
- Research interdependence

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Policy Implications – 3

- Urban people and groups will not take initiative to help rural
 - Therefore rural-urban alliances must be sought proactively
- Look to strategic areas of interdependence
 - Food, water, environment
- Food
 - Identify urban markets
 - Direct marketing
 - Countryside visits
 - Surtax for rural development (France)
- Water
 - Common property recognition
 - Watershed alliances
 - Surtax for rural development (Japan)
- Environment
 - Common property recognition (Ecological footprint, carbon credits)
 - Manage through transfers not regulation
 - Recognize – cities not sustainable
- Common forum for urban and rural in recognition of interdependence
- Research designs that reflect and examine this interdependence
 - All types, not just economic

Conclusions

- Social dynamics require depth of analysis
- Contextual conditions require comparison
- Distance and complexity require collaboration
- Marginalization requires initiative
- Collaborative, comparative, comprehensive research produces useful results

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Collaborative, Comparative, Comprehensive Research in Rural Canada: observations and implications

The New Rural Economy Project

<http://nre.concordia.ca>

<http://www.crrf.ca>

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- Invite further discussion and collaboration
- Build on the work already accomplished
- Explore ways in which we can leverage each other's strength on behalf of:
 - High quality research
 - Appropriate policy development
 - Effective and appropriate capacity building – at all levels