




NRE<sup>2</sup> BUILDING RURAL CAPACITY IN THE NEW ECONOMY



## Some Policy Reflections from the New Rural Economy Project

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- The Rural Secretariat of Agriculture and Agri-food Canada
- Statistics Canada
- 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

## What is CRRF?

- Researchers, Policy-Makers, Business-People, Activists, Rural People
- Established in 1987
- Research and Education
- Spring Workshops, Fall Conferences
- Not-For-Profit
- Improve Quality of Life for all Rural Canadians

## Why establish the NRE?

- Lack of appropriate information
- Lack of comparisons
- Lack of communication and collaboration

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### •Lack of appropriate information

- Individual level
- Economic and demographic
- Sectoral focus

### •Lack of comparisons

- Many case studies
- Case study work demanding
- Therefore few resources (time, energy, financial) for comparison work

### •Lack of communication and collaboration

- Rural Canada immense
- Institutions scattered
- Institutions in rural areas must be small and generalist, therefore few resources directed toward research

- NRE Project designed to address these problems.

## The NRE Project

- Established in 1997
- 15-20 researchers from all across Canada
- Rural Observatory – 32 rural sites
- 2 sites in Japan
- Data collection and analysis
- Workshops and conferences
- Researchers, Policy-makers, Rural People
- International collaboration

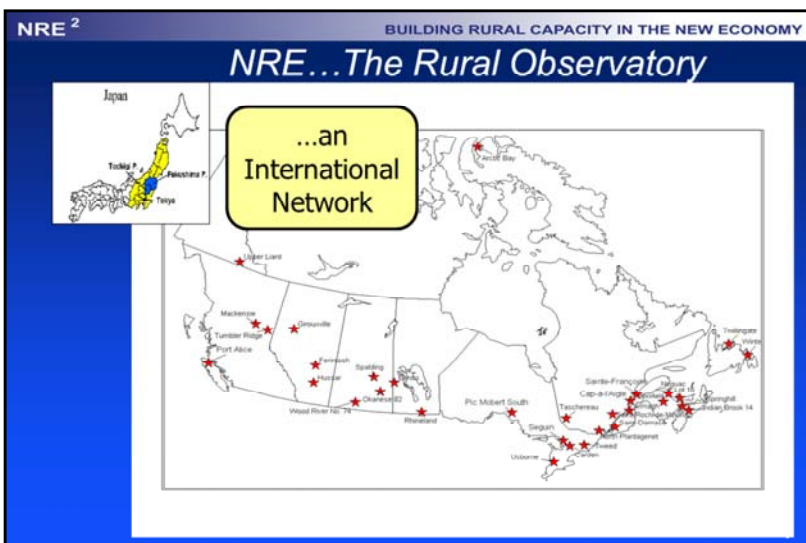
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### The NRE Sample Frame

			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).

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## Strengthen Gov't Capacity

- Forecasting
  - Strategic selection of participants
- Rural Futures Network
  - Knowledge mobilization is costly and long term
- Rural Futures Policy Group
  - Counterbalance to short-term demands

**Control-Sharing Critical**

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### Strategies and Projects - 1

- Strengthen Gov't Capacity to respond to change in rural Victoria
  - "Forecasting program with 'Victorian Outlook' annual forums in key rural landscapes and a capacity to provide advice to communities on regional socio-economic trends and adjustment choices."
  - CRRF/NRE:
    - Value of meeting in rural areas: Workshops and Conferences – different objectives
    - Significant rural involvement in program – local learning tours
    - Foresight approach: Choose to include wide variety of people – critical to outcome
      - E.g. BioProducts – What are the future options for Canada?
      - Primarily invited industry and government people
      - Missed opportunities for many other players
    - Governments not good at doing this
    - Taken over by Minister's short-term interests
  - "Building a Rural Futures Network that links policy developers, rural development academics, and practitioners with Government."
    - CRRF has provided this function for 18 years
      - Non-government – positive, but rocky relationship
      - Always meet in rural areas – draw policy-makers out (costly)
      - Always include local involvement (e.g. tours and radio station)
      - Mother-in-law test for 'knowledge mobilization'
    - Major challenge is to give others control
    - Currently NRRN model – primarily CRRF control but considerable Rural Secretariat input and financing (Twillingate Oct 12, 2005 – CRRF to follow to 15<sup>th</sup> – Governance)
  - "Consolidating a Rural Futures Policy Group within DPI to provide the Victorian Government with insights into emerging rural policy issues."
    - PRI model?
    - Beware Rural Secretariat vulnerability – agenda taken by Minister's immediate concerns
    - Consider multiple objectives: community capacity building and high quality research
      - Rural Teams and National Team
      - CRRF and NRE serving different functions
      - Once again – requires relinquishing control – work out an acceptable way to do it.



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## Reduce Regional Barriers

- Better information
  - Conflict management
  - Interactive, transparent, flexible
  - Training
- Industry analysis
  - Markets, regulations, institutions
  - Inter-sectoral
  - New functions

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Reducing regional barriers to the development of new rural industries

•“Providing better information on the impacts of land use change to Government, industry, and the community, supported by a new Land and Water Resources Knowledge and Information Centre.”

•Information must be supplemented by conflict management processes if regional barriers are to be removed. Cannot assume that information will:

- Be understood or integrated
- Result in common positions or actions
- Consider designing it to be interactive, transparent, and flexible
  - E.g. Rural Secretariat project
  - Danish project – for data entry
- Training and integration of wide range of potential users is critical for useful outcomes
- Catchment areas are strategic (cf. Rural-urban interdependence)

•“Undertaking detailed industry analysis to identify regional specific barriers to new rural developments, and playing a leadership role in coordinating Government efforts to overcome regional barriers to development.”

- Go beyond increasing productivity: major impacts are now related to:
  - Markets (urban, international)
  - Regulations (health, environment)
  - Industry structure (concentration and commitment to commodity trade)
- Inter-sectoral analysis critical (few farms are 100% farm income based)
- New functions for rural not adequately integrated into analysis or markets
  - Carbon sequestration
  - Environmental amenity stewardship
  - Water and wetlands protection
    - Cf. Japan and New York/Catskills



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## New Partnerships

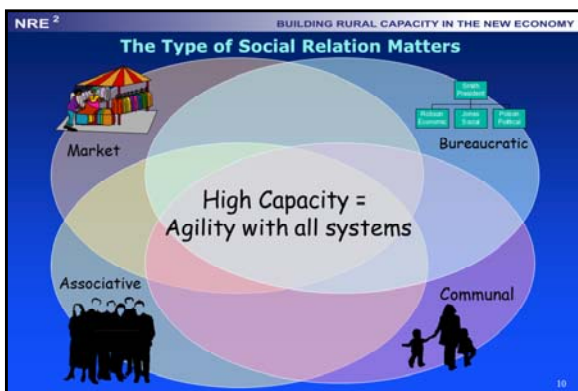
- Land management
  - Explore alternatives to regulatory approach
- New service delivery models
  - 'Budget for breakage'
- Manage amenity values
  - New organizational arrangements
- Governments make poor partners

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“Establishing new partnerships to protect and improve rural amenities.”

•“Expanding on the original Living Together in Rural Victoria initiative to inform prospective new land managers of their obligations and what to expect when they move to rural Victoria.”

- Regulatory approach problematic
- Explore alternatives: e.g. identify interdependencies (rural and urban) to make them visible and open to new market arrangements or compensation approaches
  - Japan and New York
  - Ducks Unlimited
  - The Nature Conservancy
- Our strategy: from Rural Policy to Rural-Urban Interdependence
  - Rural Policy on the wane
  - Rural must go it alone
  - Look to Urban markets and interests
  - Focus on issues in which they are already interested
    - Water
    - Food
    - Environment
  - Make a separate strategy?
- “Developing new service delivery models in amenity areas tailored to meet the needs of the increasingly diverse range of land managers in amenity landscapes.”
  - Need to 'budget for breakage': set up evaluation procedures to:
    - Learn from mistakes
    - Build capacity from new knowledge and mistakes
    - Take a long-term, collaborative view
- “Working in partnership with intensive rural industries to appropriately manage their impact on amenity values and help them to address their neighbour's concerns.”
  - Identify and explore new forms of arrangements
    - E.g. community forests
    - Value-added (in Canada, Manufacturing and Tradeable Services are not declining)
- Governments make poor partners
  - More powerful
  - Short-term view
  - Rules keep changing
  - Understand and design for the nature of the relations (see 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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## Supporting Rural Communities

- Rural Workshops
  - Research and education focus
  - Community located and driven
  - Multiple venues and guests
- Rural Dialogue
  - Minimize Gov't promotion
  - Rural Teams for follow-up
- Go to the dialogue and action

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“Supporting rural communities to anticipate and respond to change”

•“Convening Rural Workshops that bring together the local community, educators, policy analysts, researchers, non-government organisations and industry to identify viable opportunities and actions for local communities.”

- Danger if government-driven
- NGOs have highest credibility, but gov'ts must work out relationships that avoid undermining their strengths.
  - Pay for fairness (competition)
  - Pay for accountability
- We have had success on:
  - Research and education focus
  - Community driven
  - CRRF and Universite Rurale models
  - Multiple venues and guests
- “Connecting communities and Government through the Rural Dialogue process
  - Rural Dialogue conferences
    - Too high a component of government policy promotion
    - Little follow-up at community level
  - Rural Teams good, but few resources
    - Reflect regional differences and histories (WD, Northern Ontario, QC, ACOA)
- Note Gov't initiation and organization in proposals
  - Go to where the dialogue is already taking place
  - NGOs
- Raises 2 strategic directions to consider that are not in the discussion paper:
  - Governance
  - Rural-Urban interdependence

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## New forms of Governance

- Multiple forms of democratic action
- Multiple forms of accountability
- Multiple levels
- New tools of governance

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Develop new forms of governance

- More than government – includes NGOs and informal organizations
- Multiple forms of democratic action
  - Representative
  - Collective
  - Place-based
  - Blending (e.g. Municipal Councils and Watershed committees)
- Multiple forms of accountability
  - Short and long term
  - Products and services as markers
- Multiple levels of governance
  - Local, regional, national
  - Subsidiarity principle
- New tools of governance
  - Not just regulations
  - Using market and associative norms and procedures
- Our research has found:
  - Legitimation crisis of the state
  - Credibility of NGOs
  - Wide range of mechanisms for community decision-making and action

## Rural-Urban Linkages

- 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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## Some Policy Reflections from the New Rural Economy Project in Canada

The New Rural Economy Project  
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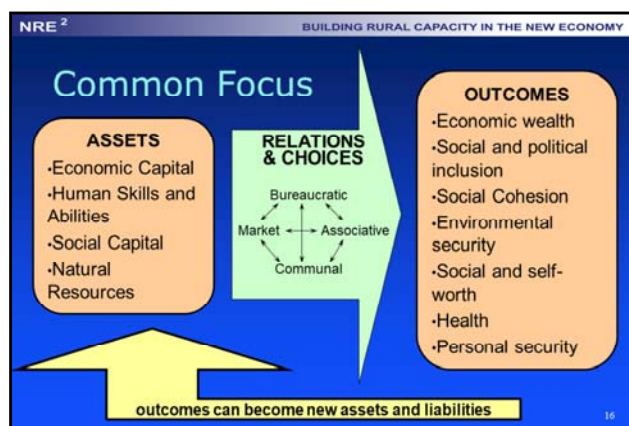





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- Invite further discussion and collaboration
- Build on the work already accomplished
- Explore ways in which we can leverage each other's strength on behalf of:
  - High quality research
  - Appropriate policy development
  - Effective and appropriate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





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)