

The NRE Project:
What Have We Learned?

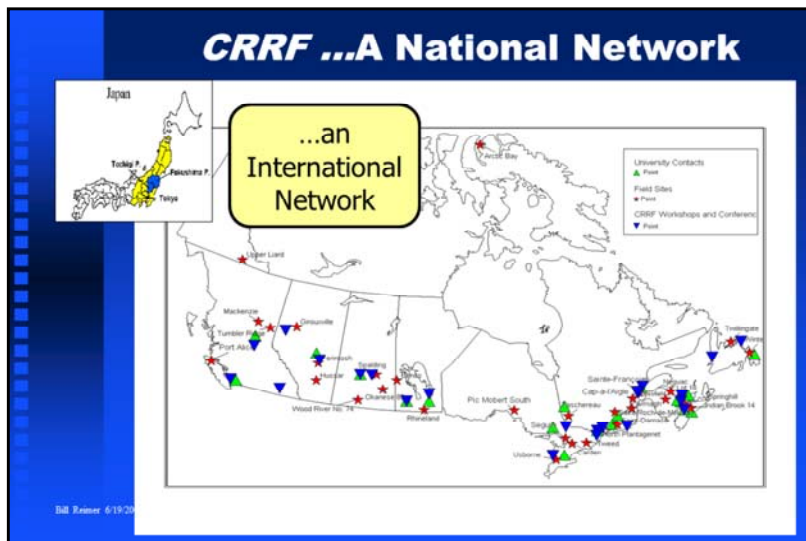
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CJ Project

NRE
Network of Rural Experts

- Acknowledgements:
- Social Sciences and Humanities Research Council of Canada
- The Rural Secretariat of Agriculture and Agri-food Canada
- Rural Citizens in our field sites



Who are we? CRRF

Our perspective is based on collaborative rural research over the past 15 years

- (A) Researchers associated with more than 20 universities and institutes
- (A) 32 field sites chosen (5 dimensions of comparison)
- (A) Program of workshops and conferences – in our 15th year, about 28 locations (always select rural areas)
- International collaboration
 - 2 sites in Japan (Iitate, Awano)
 - Colleagues and centres in USA, UK, the Netherlands, Germany, Italy, Mexico
- We invite you to work with us

What have we done?

- Macro analysis using census and survey data
- 32 field sites – a 'Rural Observatory'
 - Local economies (SMEs, co-ops, entrepreneurship, trade)
 - Social capacity (governance, 3rd sector, services, communication)
 - Social exclusion (social cohesion)
 - Environment and natural resources
- Web Site (nre.concordia.ca)

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What We Have Done

- Macro analysis using census and survey data
- 32 field sites – a 'Rural Observatory'
- We are learning about:
 - Local economies (SMEs, Coops, Entrepreneurship)
 - Social capacity (governance, 3rd sector, services, communcations)
 - Social exclusion (social cohesion)
 - 1995 Household Interviews (20 sites)
- Web Site (nre.concordia.ca)
- Over 50 documents: books, papers, flyers, posters

What have we learned?

- Rural Canada poorly positioned for the New Economy
- Social Capital and Cohesion support economic performance
- A Rural-Urban Alliance is necessary

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- Attempt to summarize contributions of more than 20 researchers over a period of 6 years
- Bound to distort, omit some important elements
- Must give credit to all of those researchers – especially Peter Apedaile and Ray Bollman
- My ‘take’ on the material

- Three general things learned
 - Rural Canada poorly positioned for the NE
 - Social Capital and Cohesion support economic performance
 - A Rural-Urban Alliance is necessary
 - Intangibles are as important as tangeables for community economic development: perhaps more so for sustainable development
 - Social capital vs. human capital, etc.
 - Community capacity generally underestimated
 - Looking in the wrong places (multiple capacities, interaction effects)
 - Rural Canada can’t go it alone
 - Urban interests are key
 - Look to common interests
 - Water
 - Food
 - Amenities/Environment
- Policy implications
 - Current institutional structures problematic
 - Compare with emerging ones that cut across sectors, formal/informal, rural/urban distinctions
- Research implications

Challenge 1: It's Rural

The New Economy:

- Global transactions
- Information, knowledge, innovation

Rural:

- Distant -> High Transaction Costs
- Low density -> Few Agglomeration Advantages

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- Rural Canada is poorly positioned for the new economy at present
- The New Economy – primary characteristics:
 - Global transactions, communications, and transportation
 - Importance of information and knowledge – advantages for knowledge generation in agglomeration
- Some of these challenges are part of being rural
 - Longer distance and low densities are defining characteristics of what it means to be rural
 - They will always be features of rural life and economy
 - They carry with them particular challenges in the new economy
 - The new economy is usually defined by:
 - Globalization: i.e. faster communication and transportation over longer distances
 - Primacy of Knowledge: exchange of ideas, innovations
 - Rural areas
 - Benefit in general from communication and transportation technology improvements
 - Will always be a bit more costly, however, since infrastructure over greater distances is costly, time is a bit longer, and a bit more fuel will be needed
 - Challenges to knowledge and innovation development since it is facilitated by agglomeration effects
- Revitalization success will require options that overcome, work around these structural features, or use them to advantage

Challenge 2: Its History

- Mercantilism -> Little control of local assets (natural resources)
- Market concentration -> Bifurcation of enterprises
- Human Capital lower
- SMEs not well integrated into global
- 3rd sector stressed

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- Rural Canada is poorly positioned for the new economy at present
- Some of these challenges are historical – often more specific to the Canadian situation
 - Canada has had a mercantile approach to its rural resources
 - International trade of commodities
 - State-protected markets
 - State becomes a trading partner
 - Results:
 - State torn between its economic and social objectives
 - Little local control of natural resources
 - Enterprises have been, and continue to be concentrated
 - Results:
 - Control often takes place offshore – at least in urban areas
 - Bifurcation of enterprises:
 - Few large-scale and powerful producers
 - Many small producers – often marginal
 - Human capital is lower
 - Some indications that this is narrowing, but only slowly, and only with respect to particular types of education (those who have less than grade 9 – for university graduates, the rural-urban differences are about the same – cf. Derek)
 - Results:
 - Relatively strong, global, concentrated corporate sector
 - Increasingly marginalized small-scale sector
- Our objectives at CRRF are to:
 - Better position rural Canada by:
 - Understanding the processes involved
 - Research and education regarding the options and opportunities created/emerging in the new economy
 - Research and education regarding the most promising strategies and tactics for responding
 - Research and education regarding the effectiveness of the various strategies and tactics
 - Building the capacity of rural Canadians to do all this

SMEs and Coops have low capacity

- Greater uncertainty in global markets
- More demands on owners and managers
 - Production
 - Marketing
 - Management
- Owners and managers take few risks

Voluntary Associations

- Vulnerable
 - Membership (63%)
 - Finances (49%)
- Interests are diverted
- Competition for attention
- Government is the major supporter compared to private sector
- Don't know how to access funds and support

What are the major problems faced by voluntary associations?

What have we learned?

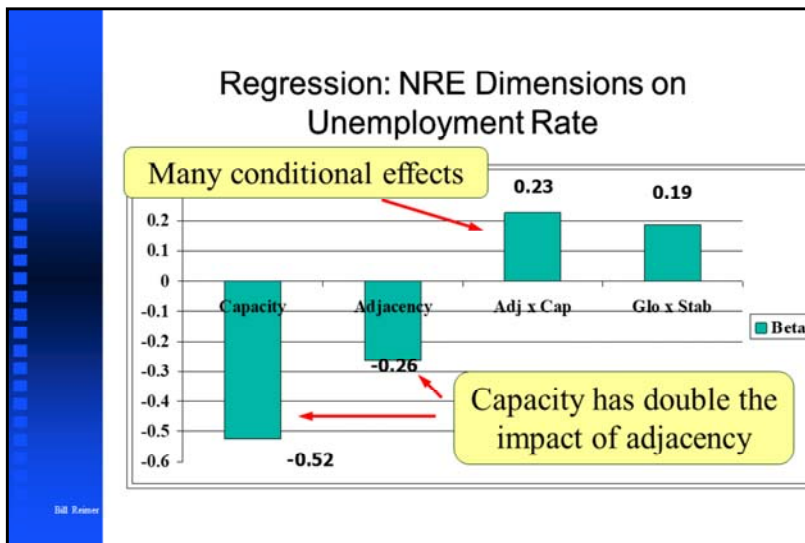
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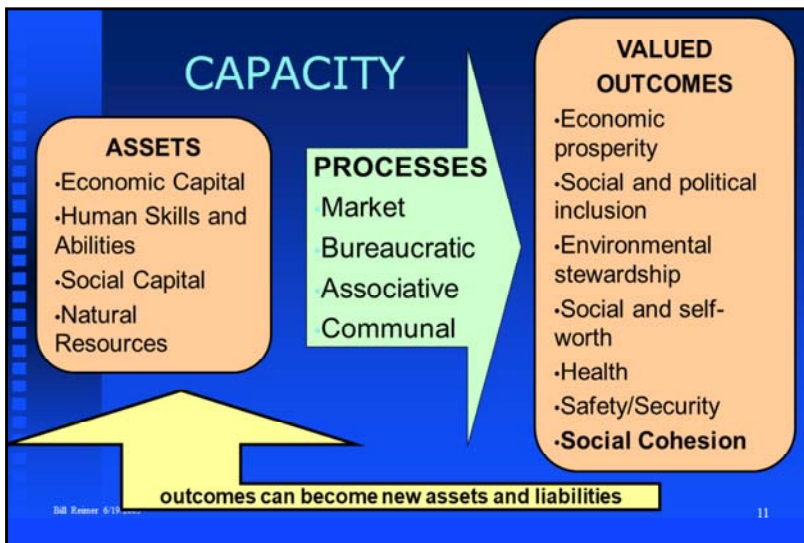


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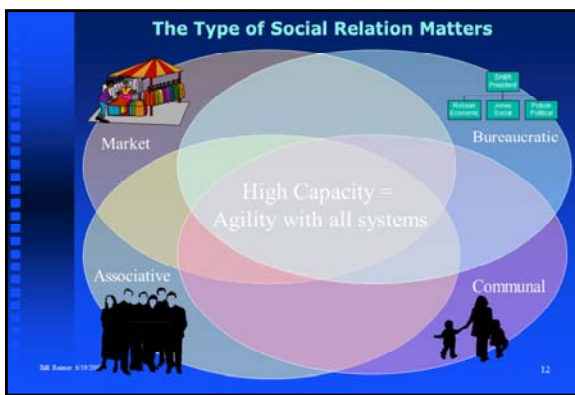


- Data – 1991 CSDs
- Interactions not centred
- Adjacent and High capacity -> high unemployment
- Global and Stable -> high unemployment

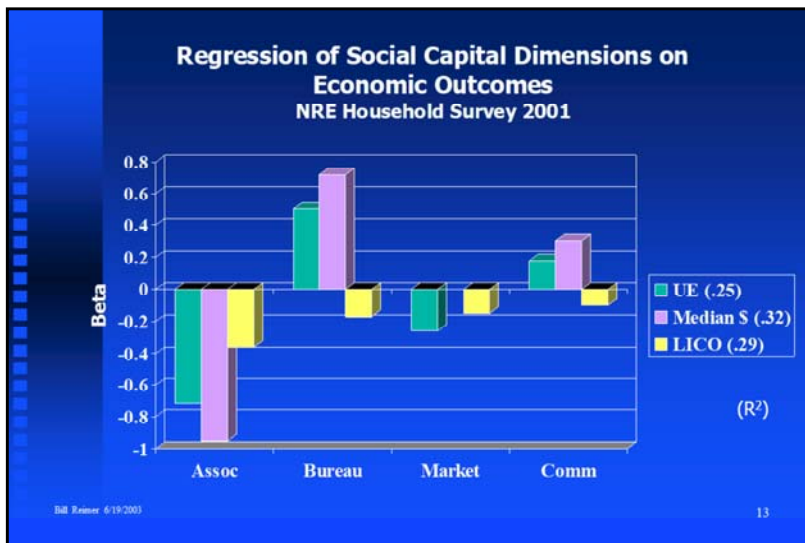


(Re)vitalization occurs when capital and resources are (re)organized to produce desired outcomes. The ability of rural communities to do this in an appropriate and successful fashion is what we refer to as the community's capacity.

- Social cohesion is an outcome and an asset



- This insight arises from our recognition that social cohesion is based in social relations (bring people together. It's what we mean by cohesion (the glue that binds).
- Social relations are organized in different ways
 - Expectations, norms, institutions, rights, obligations are all different and integrated
- Each 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
 - 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.
 - Conflict: Associative and Bureaucratic relations:
 - Bureaucratic require competition for resources and accountability in their use.
 - Associative require commitment to the shared interests of the group
 - Partnerships between bureaucracies and volunteer groups are therefore problematic
 - Bureaucracies divert people from the shared interests and
 - Associative suffer stress from lack of finances and membership burnout
 - Complement: Several of our research sites relied primarily on associative relations in the face of school closings. In some, the citizens learned how to articulate, lobby their case on the basis of bureaucratically recognized principles, and got their school back. Social cohesion based on associative relations were used to build capacity in bureaucratic ones.
 - the Hutterite community next door to one of them uses communal relations intensively (family supported by religious belief) and combines them with bureaucratic relations (again legitimized by religion) to successfully compete using market relations (have even been able to expand while others fail).
 - In this case, the three systems reinforce one another
- Primary thing to note: (S) 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 the basis for people working together – for social cohesion.



Local Capacity is Untapped

- Considerable variation in capacity
 - Leading/lagging
- Many pathways to local development
 - Growth, reorganization, maintenance
 - Not always economic
 - Bridging or bonding SC are both important (Flora)
- Positive responses to our information and approach
 - Cross-community support

Context Affects Social Cohesion

	M	B	A	C
Global Economy	H	L	L	L
Stable Economy		L		H
Metro Adjacent	L		L	H
Institutional Capacity	L	L		L

Conditions for use of social cohesion (Conditions -> SoCo)

- Social cohesion does not occur in a vacuum.
- Examined some of the external conditions where we found high levels of social cohesion
 - Social Cohesion based on all types of social relations
- Most of them were linked to conditions which are largely beyond the control of local communities
 - (S) Global or local economies: Global markets -> higher levels of market-based SoCo
 - Does this mean that as rural areas become more involved in the Global economy, we will see the increased importance of Market-based relations for social cohesion (people working together)? And lower use of bureaucratic, associative, and communal?
 - (S) Stable or fluctuating economies: Stable -> higher levels of communal-based SoCo, lower levels of bureaucratic-based SoCo
 - (S) Metro adjacency: Adjacent -> higher levels of communal-based, but lower levels of market-based and associative-based SoCo
 - (S) Institutional Capacity (schools and hospitals): (provincial and federal jurisdictions) more capacity -> lower levels of all but associative-based SoCo
 - Reflects other findings regarding social capital: The availability and use of social capital are not strongly related
- NOTE: Bureaucratic-based social cohesion:
 - Local economies
 - Fluctuating economies
 - Low Institutional capacity
 - Do bureaucracies serve remedial roles – provide a safety-net for vulnerable sites?
- Two main points:
 - We shouldn't treat social cohesion as a single phenomenon – it has roots in a variety of social relations
 - The type of 'glue' that binds people in rural areas varies by characteristics that are beyond their control
 - Often the result of more general policies and programs
- Regression analysis (pscoh30) (1995 HHs)

R ² =.15 (betas)	Agriculture (.210)
High Institutional Capacity (-.631)	West & North (-.214)
Global (-.517)	# years in the community (-.103)
<gr 9 ed (-.449)	Distributive services (-.101)
Construction (-.223)	Metro adjacent (.101)
Social Services (-.218)	Producer services (-.090_

Rural Canada has considerable capacity

- Wrong type for the New Economy
- Must be redirected
- Institutional challenges

Institutional Challenges

- Current ones are sectoral based
- Rural/urban distinction institutionalized
- Place rural at a disadvantage
- New institutions provide new perspectives and opportunities
 - Cut across rural/urban divide

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Rural-Urban Alliances

- Focus on common interests
 - Food
 - Water
 - Environment
 - Amenities
- Rely on institutions, not sentiment
 - New arrangements of property rights



Revitalizing Rural Canada

- Anticipate the new economy
- Build all forms of rural capacity
- Innovate rural/urban institutions

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- Revitalizing Rural Canada
- What do the things we learned suggest for action and research?
- Rural Canada at a disadvantage in the new economy
 - Research to understand the key aspects and processes of the new economy
 - How can rural Canadians best position themselves to meet those conditions and processes?
- Social capital and capacity are underrated
 - What are the capacities in which rural Canada is strong?
 - How might they be used to build capacity that is appropriate for the new economy?
- Rural/urban alliances are key
 - Where are rural/urban interests already the same?
 - What types of institutions are best for representing and building these common interests?

Building Capacity in Rural Canada

The Canadian Rural Revitalization
Foundation

<http://nre.concordia.ca>

<http://www.crrf.ca>

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