

NRE² BUILDING RURAL CAPACITY IN THE NEW ECONOMY

Springhill and the New Rural Economy Project

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 2006/11/22

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- Contributions of many groups and individuals
 - Social Sciences and Humanities Research Council of Canada
 - Especially their INE initiative with Industry Canada
 - Concordia University – and all universities in our network – we need and appreciate their support
 - The Rural Secretariat of Agriculture and Agri-food Canada
 - Statistics Canada
 - CRRF
 - NRE Research Team
 - Rural Citizens in our field sites

NRE² BUILDING RURAL CAPACITY IN THE NEW ECONOMY

What can researchers do for rural communities?

- Inform
- Evaluate
- Advise
- Inspire

What are researchers unable to do?

- Predict
- Solve
- Act

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- What can researchers do for rural communities?
 - Inform – regarding patterns, similarities, underlying forces, and expectations
 - Evaluate –what are the relative benefits and costs of various options - based on some criteria?
 - Advise – regarding likely relationships between choices, actions, and outcomes
 - Inspire – through comparative examples and insights regarding drivers and changes
- What are researchers unable to do?
 - Predict – our world is a world of likelihoods and probabilities, not certainties
 - Solve – most challenges are complex – with different evaluations of the desirable outcomes. Tradeoffs are usually involved and we are not able to decide for you which of those tradeoffs are most acceptable
 - Act – we are not facing the consequences of local action as you are. Also, our research teaches us that effective action must come from the local community – not as an imposition from outside. Thus, we remain supportive but the initiatives and champions must come from you.
- We can still help each other in critical ways, however
 - We can provide insights regarding the big picture, patterns, and comparisons
 - You can provide the guidance regarding the local issues of importance (local relevance)
 - Together we can explore options for action and strategies for response

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How can rural Canada (re)vitalize?

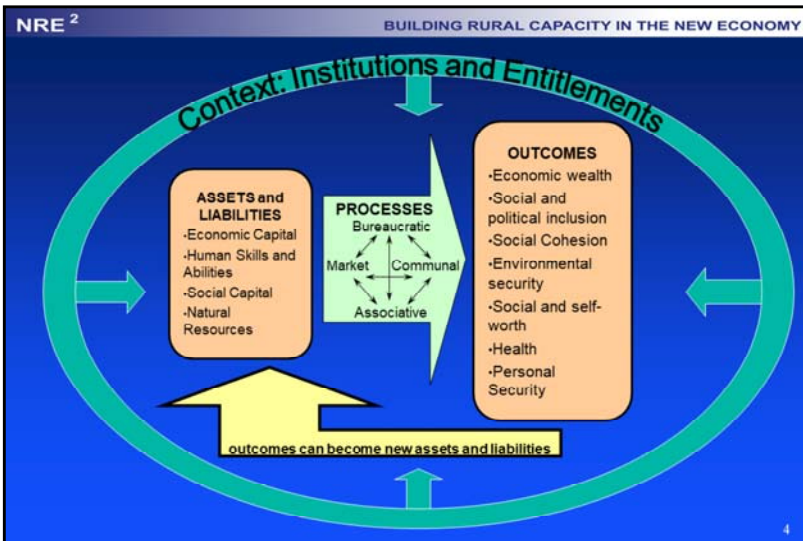
- Identify the conditions that have contributed to devitalization
- Organize assets and resources to do the things considered important

This ability to organize is:
Capacity

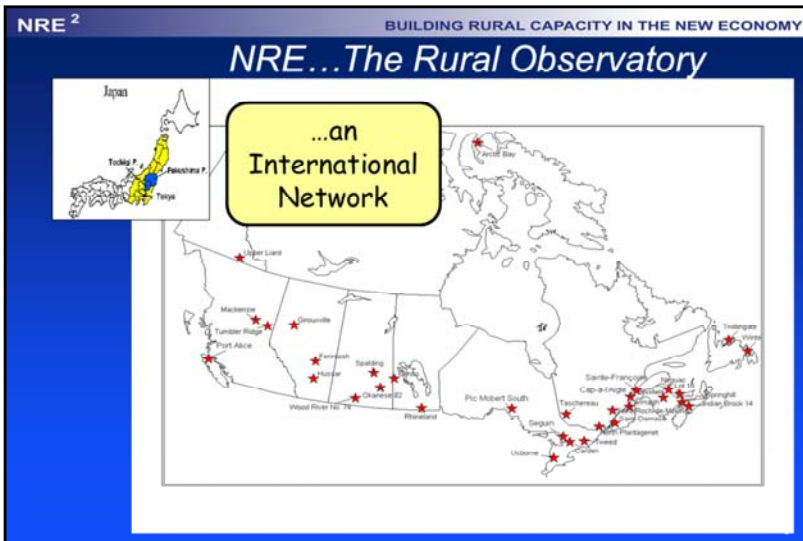
Capacity transforms assets into valued outcomes

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- From the beginning we have focused our attention on the question:
 - How can rural Canada revitalize in the new economy?
- Our answers to this question have followed 2 main directions:
 - (S) Communities can identify the conditions that act as obstacles to vitalization then challenge the ones that can be changed, and
 - (S) They can reorganize their assets to better attain desirable outcomes
- (S) This is what we refer to as Capacity:
 - (S) The ability to organize and reorganize assets to produce the desired outcomes



- Over the years we have worked within this general model and elaborated it somewhat to both guide our work and reflect the insights we have gained.
- (S) We have focused on assets like Economic capital, Human skills and abilities, Social relations, and Natural Capital.
- (S) We have elaborated some of the details of the processes by which assets are transformed into outcomes – focusing specifically on
 - Social networks and the
 - Formal and informal rules by which they operate
- (S) We have concentrated on economic outcomes, social inclusion, and social cohesion – once again for strategic purposes.
- (S) We have emphasized the ways in which outcomes become new assets and liabilities by introducing a feedback loop that makes the model dynamic – thus the process is often incremental
- (S) And we have identified and examined the many ways in which the community context and location condition the processes identified above.



- (S) We identified 32 rural sites which we have referred to as the Rural Observatory
 - Went to people in each of these sites and asked them if they would like to work with us
 - As a result, we have worked with most of them over 9 years
 - Collected and analyzed data [Community profile data (every 2 years); Household survey (1995) households in 21 sites (2001)]
 - Collaborated with community members through local meetings, give-backs, exchanges, and invitations to our events (cf. people here today)
- 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
- This design allows us to not only understand the dynamics within each site, but allows us to make comparisons across sites – thereby separating out characteristics unique to each site from those that are due to contextual conditions.

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Canada is changing

- Urbanization
- Natural resource stressed
- Immigration
- Aboriginal demographic transition
- Global warming
- Technological elaboration

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Canada is changing

- (S) Urbanization will continue – as agglomeration advantages are utilized (P)
- (S) Natural resources will continue to be under pressure – as global competition, the price of transportation and communication continue to fall
- (S) Immigration will continue and increase as it becomes our primary source of population growth
- (S) The Aboriginal demographic transition will continue to unfold – resulting in high, then falling birth rates as their education and quality of life improves
- (S) The globe will continue to get warmer, and
- (S) Technology will continue its elaboration – into nanotechnology, biological engineering, and hopefully less damaging forms of energy production

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Rural Outcomes

- Depopulation and aging
- Separation into winners and losers
- Forced self-reliance
- Greater vulnerability to disasters
- Shifting use of natural resources
- Exclusion from technological development

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What are the likely rural outcomes under these trends and pressures?

- (S) Continued depopulation and aging – especially in more remote locations
- (S) Separation into winners and losers (communities)
- (S) Rural people and communities will be forced to operate more on their own
 - Investment riskier to urban-based businesses
 - Uncertainty greater
 - More expensive
 - Greater political and economic preoccupation with urban challenges, infrastructure, and issues
- (S) Greater vulnerability to climate-related disasters
 - Including a renewed interest in small towns as the cost of travel increases
- (S) Shifting uses for natural resources as technologies are developed – including biofuel and wind energy
- (S) Continued exclusion from the centres of technological development

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How can people and groups in the Springhill best position themselves for these new conditions?

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- How can rural people and groups best position themselves for these new conditions?
- I have several suggestions and illustrations of the things that you might think about
 - They are not exhaustive, but reflect our results and analysis of rural conditions

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Identify, build, reorganize assets

- Natural resources
- Human abilities
- Historical legacy
- Social capital
- Location



Identify, build, reorganize assets

- (S) Natural resources – trees, farms, lakes, mines, geothermal energy, methane, wind, natural amenity assets, cheap housing
 - Shifting functions of rural have meant that we must reevaluate trees – from a base for commodities like lumber and pulp to an amenity for tourists and a means of processing pollution (carbon credits)
- (S) Human skills and abilities
 - Like the farmer we met in Alberta who used the skills he had developed building farm equipment to build truck boxes for pickup trucks in Texas
 - Or the town of Mackenzie that has used the computer and graphics interests and skills of their youth to provide material for their local radio
- (S) Historical legacy
 - Like your use of your mining and Anne Murray heritage
- (S) Social capital
 - Like the town of Cap-a-l'Aigle that used a small group of people interested in lilacs to build an annual lilac festival bringing in people from around the world
 - Or our Japanese site that uses their diaspora as a basis for intelligence gathering and marketing for local businesses
 - What can you do with your schools, college, community centre – especially the people in them
- (S) Location
 - Like Ste-Paule – when faced with a school closing began to market their school to the nearby city of Matane – eventually establishing a program where students are bused to Ste-Paule – a reversal of the usual pattern
 - You are close to an airport, hospitals, water, university
- All of these took imagination, identification of a need and a rethinking and reorganization of local assets in new ways.

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Strengthen the economy

- Commodity trade
 - Economically successful
 - Socially damaging
- Tourism limited
- Manufacturing strong
- Manage tensions



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Building a strong economy is fundamental to a high quality of life

- (S) Trading of natural resource commodities has been very successful for our balance of trade, but disastrous for rural communities
- (S) Tourism tends to be supported as a strategy for economic development, but it generates relatively low incomes and insecure jobs
- In the new economy, rural communities must find new things to export in order to survive
- (S) In general, rural Canada has done very well in maintaining and growing its manufacturing industries
- This remains a strong support for municipal governments
 - More so than residential housing where the costs of services largely outweigh revenues (<http://www.rockies.ca/programs/cocs.htm>: Industrial land use subsidized other uses (1:.09 for each \$ of revenue, municipalities spend .09\$ in services), residential land use was heavily subsidized by the others (each \$ of revenue cost 1.8\$ in services)
- Springhill is strong in manufacturing - strategic
- (S) But too often this comes into conflict with the growing interest in natural amenities and the urban image of rural life
- These are key challenges worth addressing outside of a win-lose framework

Integrate strangers

- They are the future of rural Canada
- Urban benefits
- Seek new forms for social cohesion
 - More mobile
 - More diverse in values



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- Immigration and in-migration will increase (by necessity)
 - We are not reproducing ourselves
- (S) The integration of strangers will be critical to the future of Canada and Springhill
 - As it has been the past
- Canada is an experiment in the integration of strangers
 - We have a checkered history in that regard
- Rural Canada has been built on immigration but we are now operating under new conditions
 - (S) Immigrants settle primarily in urban regions
 - Little understanding of rural Canada
 - Rural Canada needs their expertise
- Difficult when these strangers have different values & dreams
- (S) We need to keep searching for the ways to do it
 - Cap-St-Ignace story
 - (S) Winkler story
 - Springhill – repopulation strategy: with whom are you connected?
- Must look for new ways of establishing social cohesion – not just locally but regionally and nationally
- Often they are ex-urbanites, or still urbanites
- Rural means quiet, environmental purity, isolation, urban-style services
- Not consistent with rural as:
 - Working spaces and places:
 - Agriculture – smells and noise
 - Manufacturing – chain-link fences and trucks
 - Vulnerable places:
 - Water quality
 - Environmental fragility
 - Demanding places:
 - Taxes and by-laws
 - Water and pesticide use regulations
- Result is often serious confrontation between those faced with the demands of economic survival and those who seek comfort and quiet
- Urban in-migrants often weakly connected locally, stronger connections elsewhere
- Ingredients for conflict and weak social cohesion
- How can we respond?
 - Eg. Seguin – integration of seasonal people and newcomers into municipal committees
 - Faced with all challenges – not just special interests
 - Not only provided a forum for hard work on the tensions, but
 - Placed significant social capital and network at the disposal of the municipalities for resolving these tensions and advancing their causes externally
 - As a result they were able to even resolve issues related to taxation

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Build regional and urban alliances

- Find new markets
- Identify urban demands
- Negotiate new arrangements
- Reorganize social cohesion



<http://cwconline.org/>


In the New Economy it will be necessary to build regional and urban alliances

- (S) To find new markets – new things to trade
 - Including both services and goods
 - Jane Jacobs – Market substitution is key to viability
 - Can you substitute local products for those previously imported – maybe even have enough to sell externally
 - Opportunities also exist globally
 - Alberta farmer selling truck boxes to the southern USA (note – used farm skills and equipment)
 - Northern Ontario entrepreneur supplying bowling pins to USA using the cores from plywood production
- Urban populations are critical
 - (S) Identify their needs and demands
 - (S) Catskill mountains region has negotiated a contract with New York City (<http://cwconline.org/>)
 - Financial support for community development in exchange for clean water
- (S) Repackage your assets for urban markets
 - Ste-Paule was faced with school closure
 - Promoted their rural schools to those nearby in Matane
 - Bussed students from urban to rural
 - Warner, AB opened a hockey school for girls when faced with the same challenge
 - Now have 30 students paying \$20K/yr, purchased and renovated an old church as a dorm and have made the town an international centre of attraction for hockey enthusiasts
- Redefine the nature of social cohesion and interdependence
 - Among centres within your region
 - With urban centres
 - With individuals moving among them

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Continuous Learning

- Knowledge expansion
- Learn to collaborate
 - Within communities
 - Between communities
 - Among communities, government, private, public, civic, family
 - Urban people and groups
 - With schools, colleges, universities



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- I would also vote strongly for **continuous learning**
 - (S) Intimately related to knowledge
 - (S) Need to learn how to collaborate
 - (S) Within communities that are fragmented and in conflict
 - (S) Between communities with a history of avoidance or competition
 - (S) Among communities, government, private, public, civic, and family organizations and groups – nearby and at a distance
 - (S) Urban people and groups are particularly important
 - Eg. New York and Catskills; Japan and water surcharge; France and food
 - (S) With knowledge-accumulation and development institutions: schools, colleges, universities
 - They have their own agendas that don't necessarily coincide with yours, so this is where the learning comes in. You must learn how to develop 'the case' and take it to the right people

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Springhill in the Rural Observatory					
Rank out of 32 sites	1986	1991	1996	2001	
Global exposure 	9	6	8	12	
Fluctuating economy	17	19	27	17	
Institutional capacity	3	5	4	7	
Leading economy	25	25	26	30	

Springhill in the NRE Rural Observatory – How are you located? What are your assets?

- This table identifies the rank of Springhill with respect to the other 31 field sites in the NRE Rural Observatory
- Eg. Ranks in the top half of sites for exposure to the global economy
 - Reflects the extent of trade and employment from and to Springhill
 - Often reflects the extent to which you are susceptible to decisions and events taking place outside of Canada and the region
 - We have also found that such exposure makes communities more vulnerable to population decline (L)
- Springhill is in the bottom half of sites for the extent to which the economy fluctuates
 - Means that you have a relatively stable economy – in many cases this makes it easier to plan since you can anticipate the future
- One of the reasons is reflected in the third row – you have considerable institutional capacity by comparison to the other sites. Hospitals, schools, government agencies generally provide relatively stable incomes and attract higher educated people.
 - % pop. With post-secondary education: 9th out of the 32 sites
- In spite of this, however, Springhill falls in the bottom half of the sites with respect to its economy
 - Employment is relatively low (employment-population ratio: 22nd out of 32 sites)
 - Incomes are relatively low (avg income is 19th out of 32 sites)
 - High % of older people (% over 65 is 10th out of 32 sites)
- Any strategies you wish to adopt must take this into account
 - Part of the assets and liabilities with which you can work
 - David will speak more about these details
- Must also take into account our best guesses regarding the future context into which you are moving
 - This can also be informed by research (cf. David's presentation)

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The Canadian Rural Revitalization
Foundation

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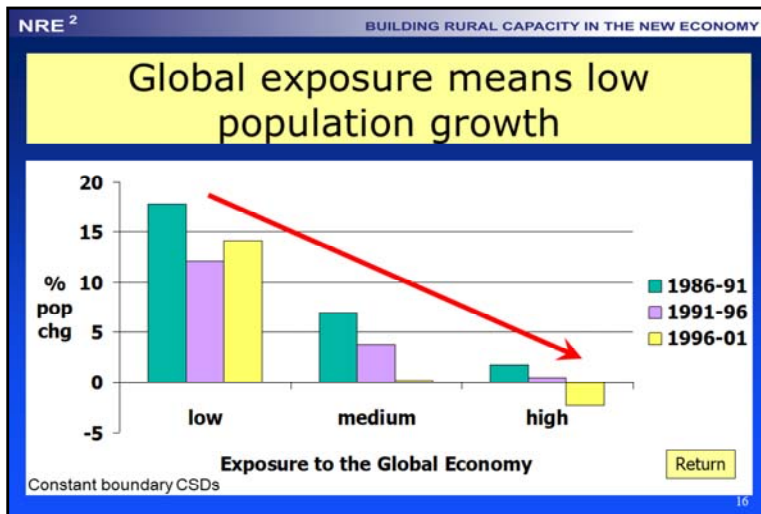
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2006/11/22



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Rural poverty is related to many other conditions and processes. Agricultural and more generally, trade policy, for example, are intimately linked to the fate of rural communities – as clearly represented by Dr. Bollman's presentation a couple of weeks ago.

This graph reflects such a point by showing the relationship between integration into the global economy and population change for small rural sites.

(S) As the exposure to the global economy increases, rural communities typically suffer decreases in their population.

There are few surprises in these figures – in fact, Dr. Stabler documented similar ones before this Committee in 1994 (Apedaile et al., 1994).

At that time, however, he also cautioned us about the negative side of this trend – emphasizing that the human and social costs of those who are marginalized by the process will be substantial without concerted supports.

It is to these supports that I wish to turn – for within them we may find some policy options that can mitigate the negative impacts of low income.

Peter Apedaile, Jack Stabler, Ray Bollman, Frances M. Shaver, Bill Reimer, and Tony Fuller(1994)"Agriculture and Rural Restructuring in Canada." Presentation to the Joint House of Commons and Senate Standing Committee on Agriculture. With, Ottawa, (October), 49p.