




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

## Major Changes Affecting Rural/Small Town Canada

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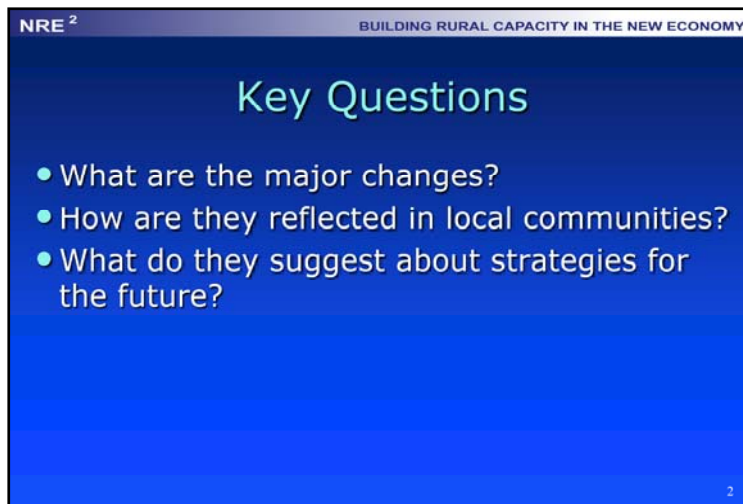




Social Sciences and Humanities Research Council of Canada / Conseil de recherches en sciences humaines du Canada  
Rural Matters! Conference, Edmonton, AB (AAMDC)

- 90 minutes
- Tables
- Ppt – bring own computer
- Wireless microphone
- Flip charts
- Capacity = 200, expected – 60-100
- Kate: 780-955-4094

- Acknowledgements:
- Ray Bollman
- Social Sciences and Humanities Research Council of Canada
- The Rural Secretariat of Agriculture and Agri-food Canada
- Statistics Canada
- CRRF
- NRE Research Team
- Rural Citizens in our field sites

- Why look at major changes?
- When we were conducting our research in small towns (NRE) we frequently inquired of people, business owners, and policy-makers about the impacts of general changes on their lives and activities
- We were frequently surprised and disappointed that they often felt there was little relationship between the general changes occurring in the world and their day-to-day lives
- We were especially surprised at the number of business people who said that such changes had little impact on the strategies they adopted in their enterprises
- When we spoke to government policy-makers and bureaucrats we found they were also perplexed at the apparent lack of response to their programs and policies
- Meanwhile, the markets were changing, people were moving, and the fish were disappearing – with plenty of name-calling and blame being passed around.
- In one of our field sites the citizens had a history of meeting the challenges they faced by going to the forestry mills in their town and asking them for help.
  - It worked fine for many years, but then they kept getting no response
  - The mills were being bought and sold on the international market
  - There was no longer a direct link with community and the decisions were made elsewhere
  - Their initial response was union action and labour unrest until they decided to reorganize themselves to meet the challenges they faced on their own.
- This is a case where the problems were first of all misinterpreted as local ones
- It was only when they realized that they were part of changes in the global economy – where the buying and selling of corporations was a financial issue and not entrepreneurial that they were able to better position themselves for the new conditions
- These are all cases where an examination of the major changes – the contextual conditions which drove these changes would have been a valuable exercise.
- It would have changed their understanding of the drivers and hopefully their strategic response to them.



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## Key Questions

- What are the major changes?
- How are they reflected in local communities?
- What do they suggest about strategies for the future?

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- I am suggesting that the specific choices you make on a daily basis are better informed if we see the links they have with the general changes occurring in society in general
- Not only does it provide some understanding of the issues, but it means that the strategies and tactics you make will be addressing the underlying issues not just the symptoms
- It means that you can better position yourself for the future
- We will then address
  - What are the major changes?
  - How do they relate to specific choices in our communities?
  - What do these relations suggest about strategic directions for the future?

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## The Plan

- Major changes
- Round tables
- Reports
- Strategies
- General questions and answers

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### Outline

- Presentation (25 minutes)
  - Major changes affecting rural and small town Canada
- Round tables (15 minutes)
  - Introductions and selection of scribe
  - What changes have affected your community? (could be on my list or your own)
  - How have these changes affected your community?
- Report back: 1 example from each table (10 minutes)
  - Look for types of communities
- Presentation (15 minutes)
  - How might you position your community for those changes?
  - Examples of contribution of policy-makers, activists, researchers
  - Or – policies a la Fairbairn
- Round tables (10 minutes)
  - How might the following types of people help position your community?
    - Policy-makers
    - Activists
    - Researchers
- Report back: 1 example from each table (10 minutes)
- Presentation (5 minutes)
  - What we have learned
    - New approach needed: multi-fasceted (economic, social, environmental), regional, learning, alliances, place-based

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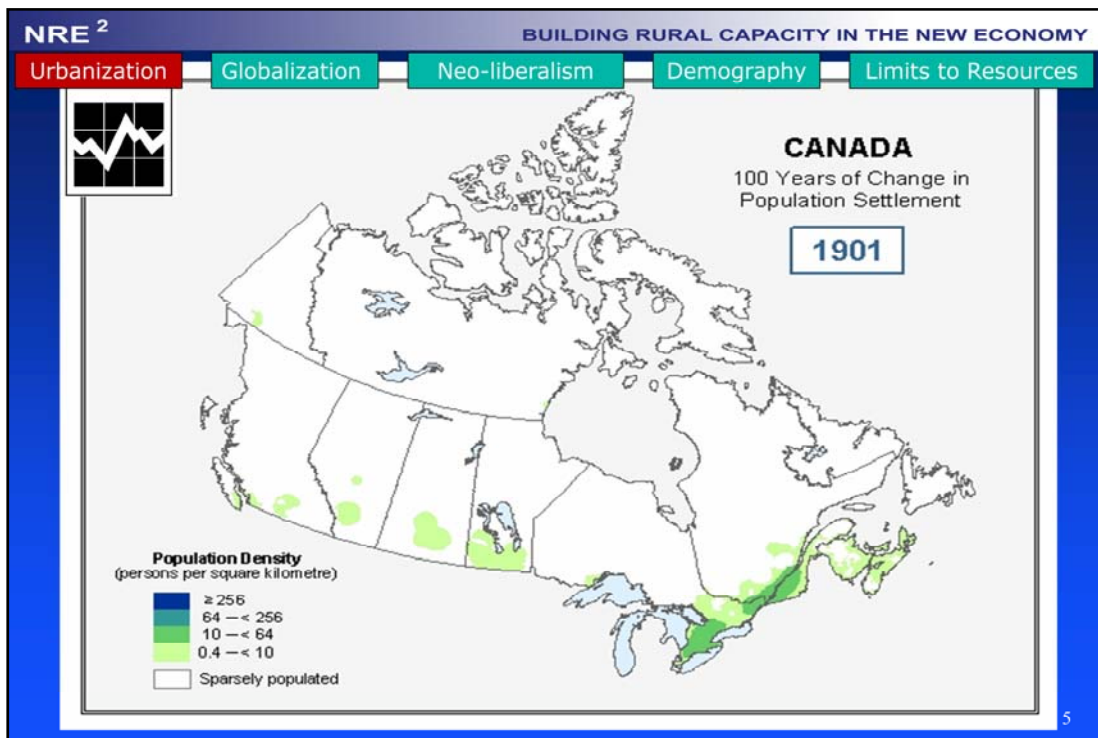
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## Changes

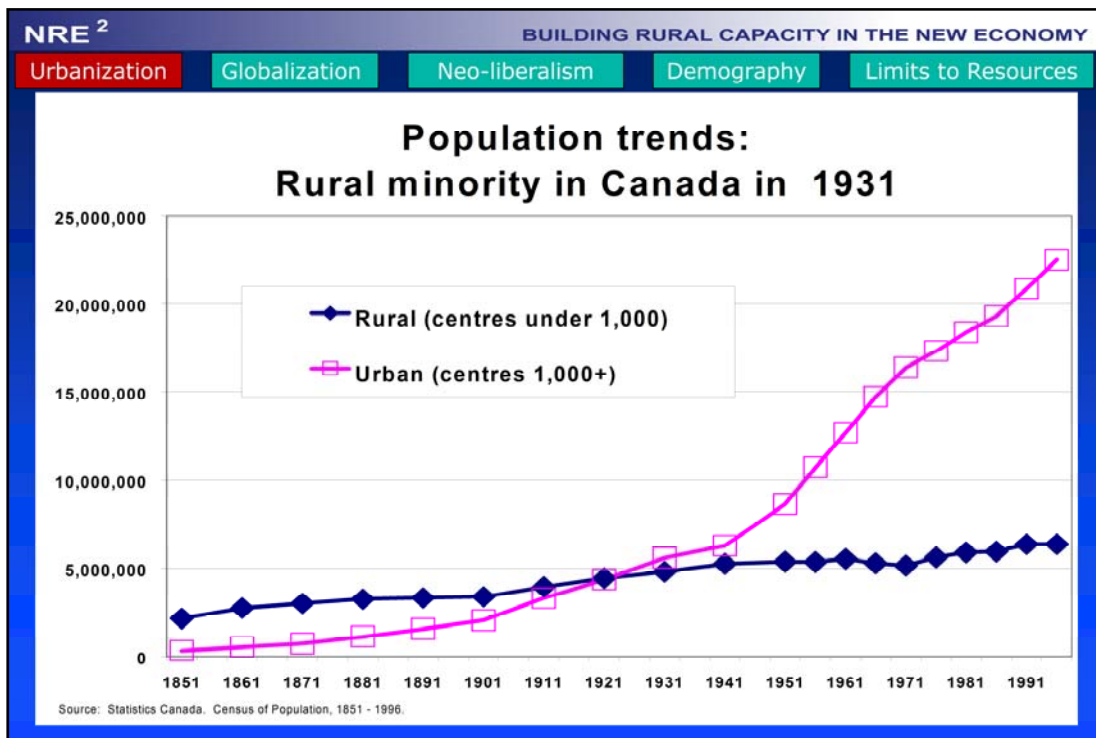
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  - Technology
  - Agglomeration economy
  - Knowledge economy
- Globalization
  - Global competition
  - Extended networks
  - Immigration
- Neo-liberal ideology
  - Withdrawal of state from its social mandate
  - Reorganize governance
  - Privatization championed
- Demographic transformations
  - Aging
  - Aboriginal growth
- Limits to resources
  - Resource limitations
  - Environmental and biological impacts

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- Urbanization
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  - Agglomeration economy
  - Knowledge economy
  - Rural Impacts: depopulation, rural shift from production to consumption
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  - Rural impacts: undermine traditional social networks and governance/action; challenge competitive advantage
- Neo-liberal ideology
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  - Rural impacts: diminished/shifted services; increased local demands
- Demographic transformations
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  - Rural impacts: stresses on services; diminished capacities
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  - Rural impacts: collapse/modification of economic base; vulnerability to extreme weather and diseases; potential opportunities; yet to be seen
- Reflections
  - General changes, but local variation is considerable
  - What are strategic responses (later question)?

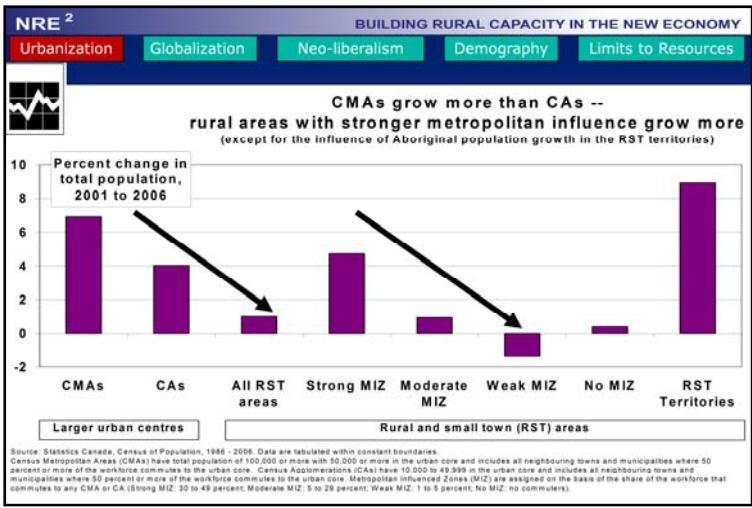


- Consequence
- With fewer jobs, people have moved to the cities
- So far, cities have been able to absorb these new workers
- But we are now facing challenges even within the cities
  - Not just from population growth – but including infrastructure demands, pollution, and quality of life.
- Rural grows, but not as much as urban



#### •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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## Rural Impacts

- Depopulation (until urban stresses create exodus)
- Growth in metro-adjacent areas
- Growth in amenity-rich areas
- Rural shift from production to consumption

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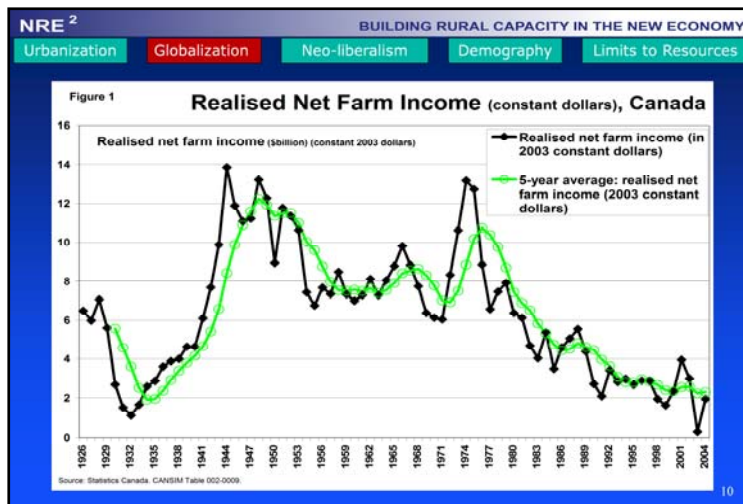
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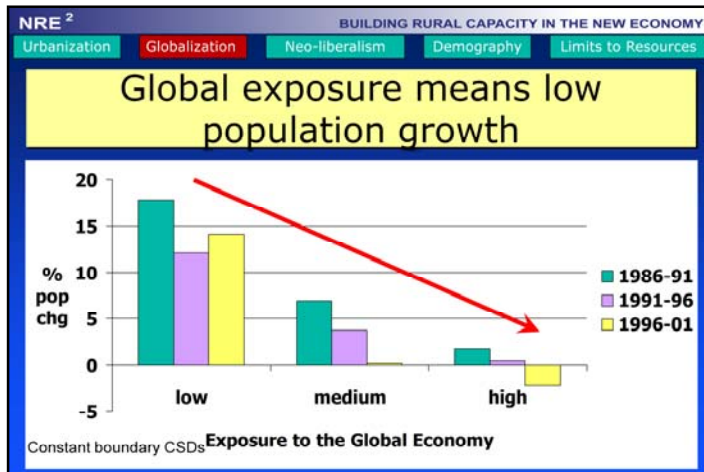
## Globalization

- Increased global competition
- Extended networks
- Immigration expands

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- We are very good at trading
- Amount of goods traded have gone up in spite of international competition
- However:
  - To do it we have had to mechanize and expand the production of goods through consolidation and specialization
  - E.g. Farms have got larger – produce more with fewer people.
  - Food has become cheaper
  - Incomes to producers have declined.



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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## Extended Networks

**Doaktown, NB**

- Local 12
- Atlantic: 40
- ROCanada: 72
- USA: 22
- International: 18

**OutLOOK** Doaktown Community Newsletter  
April/May 2004

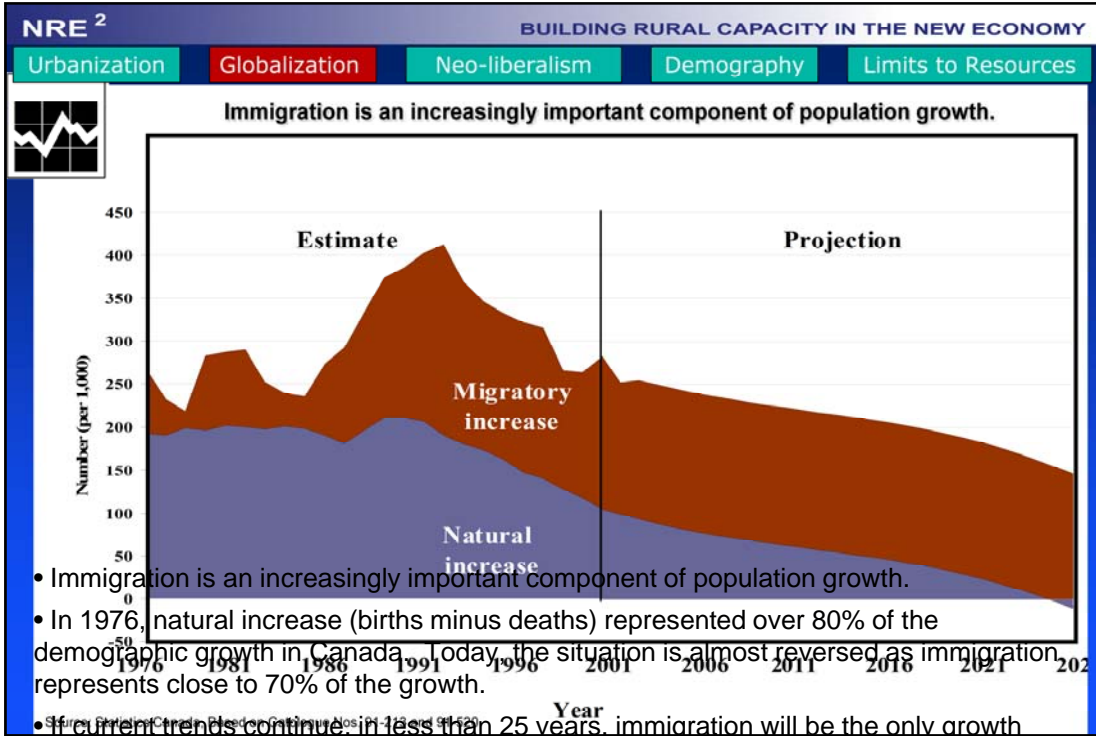
**Location:** Vancouver, BC  
**Comments:** I love the newsletter. keeps me up with what is going on around home... been away for over 20 years and it will always be home... I miss the place and all the nice people.. keep up all the good work..

**Location:** Mackenzie, B.C.  
**Comments:** Was watching Great Canadian Rivers and they showcased the Mirimachi. One thing led to another and I found myself searching out my Fathers ( ) hometown of Doaktown. I spent a good amount of time visiting my grandparents there (1963-1980) and would love to make it back for a visit! Anyone interested in a road trip from B.C.??

**Location:** South Carolina  
**Comments:** I just thought this was cool to find a site on Doaktown. I lived there all my life...and now I am married and living in Columbia, SC.  
I agree with everyone that you need more pictures though. but I love the site.  
Hope to hear from some old friends.

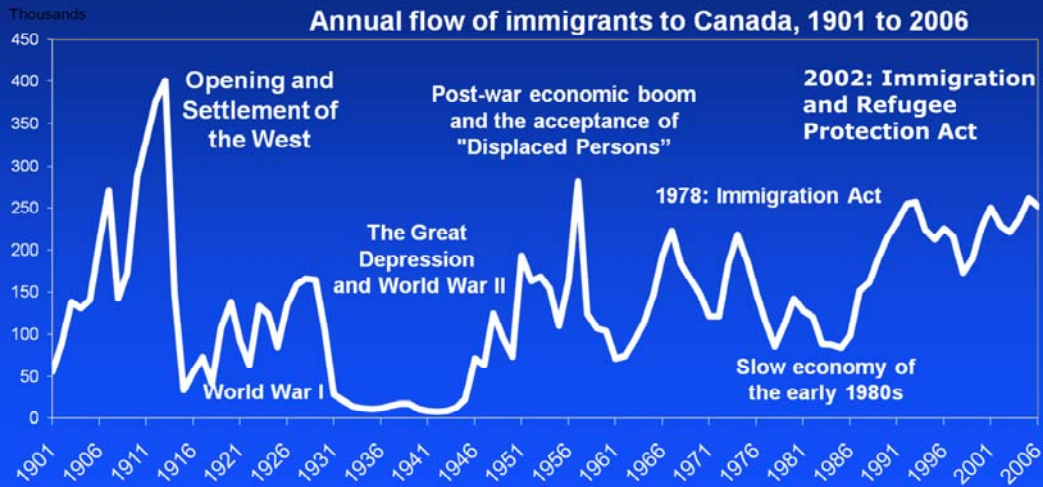
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- The other side of responding to increased mobility concerns the people who leave your communities
- Often treated as population lost (in the short term)
- But we also know that there are patterns to population movements that may be treated as opportunities by rural communities
- Young people leave, but people often return when they are starting families or retiring
- Some communities recognize this and therefore maintain contact with their diaspora
  - Keeping them up to date with local activities and people
  - Linking them through events and services (reunions, bulleting boards)
  - Internet makes this easy
  - As a grandparent with children and grandchildren around the world, I know how important this is
- E.g. Doaktown, NB (955 pop 2001)
  - (S) Monthly newsletter
  - (S+) Guestbook
  - (S+) Comments reflect the attachments (multi-generations)
- Potential
  - Economic and social benefits from
    - Visitors
    - Return populations (think long term)
    - Knowledge and experience gained (people leave for school and jobs)
    - Networks throughout the world (note the strength of weak ties)
      - Japanese communities have noticed this – so they encourage people to travel, but keep them linked as ambassadors, intelligence gathering agents, and potential returnees



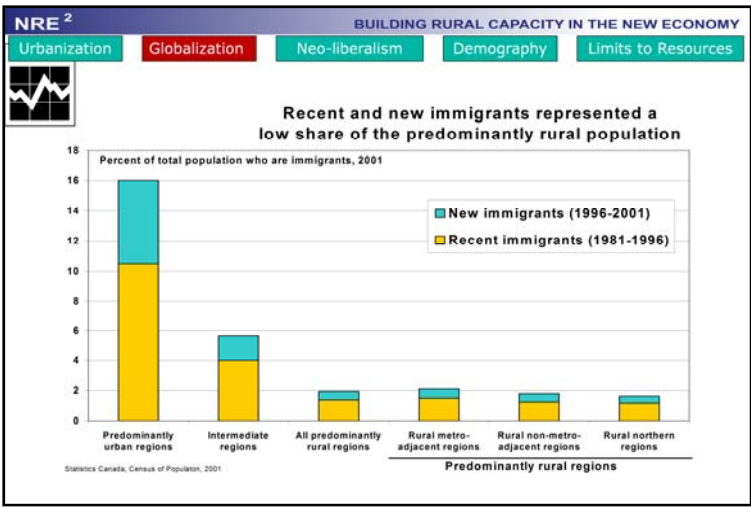
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## Canada has welcomed over 1 million immigrants during the first five years of the millennium



Source: Citizenship and Immigration Canada.

- CitizenshipAndImmigrationsmr08\_098\_e.ppt



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## Rural impacts

- Challenge to traditional social networks
- Challenge to traditional governance
- Competitive advantage rather than comparative advantage

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- Keynsian economics to Friedman
- Economic liberalism
  - Gov't control over the economy is inefficient or otherwise undesirable
  - Transfer control of the economy to the private sector
  - Discipline fiscal policy
  - Privatization of state enterprises
  - Trade liberalization
  - Deregulation
  - Clarification and security of property rights

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# NAFTA



## NAFTA

A DECADE OF  
STRENGTHENING A  
DYNAMIC RELATIONSHIP

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## 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

- Reduction of access to health professionals in our sites

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## Rural impacts

- Diminished and regionalized services
- Increased demands on local governments

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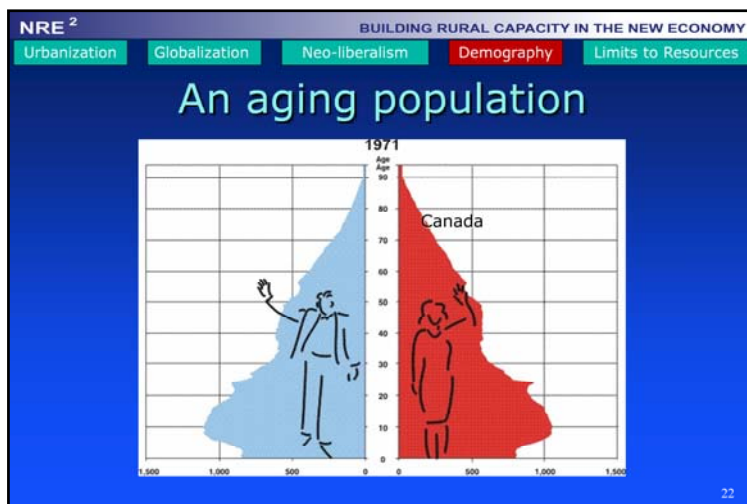
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## Demographic transformations

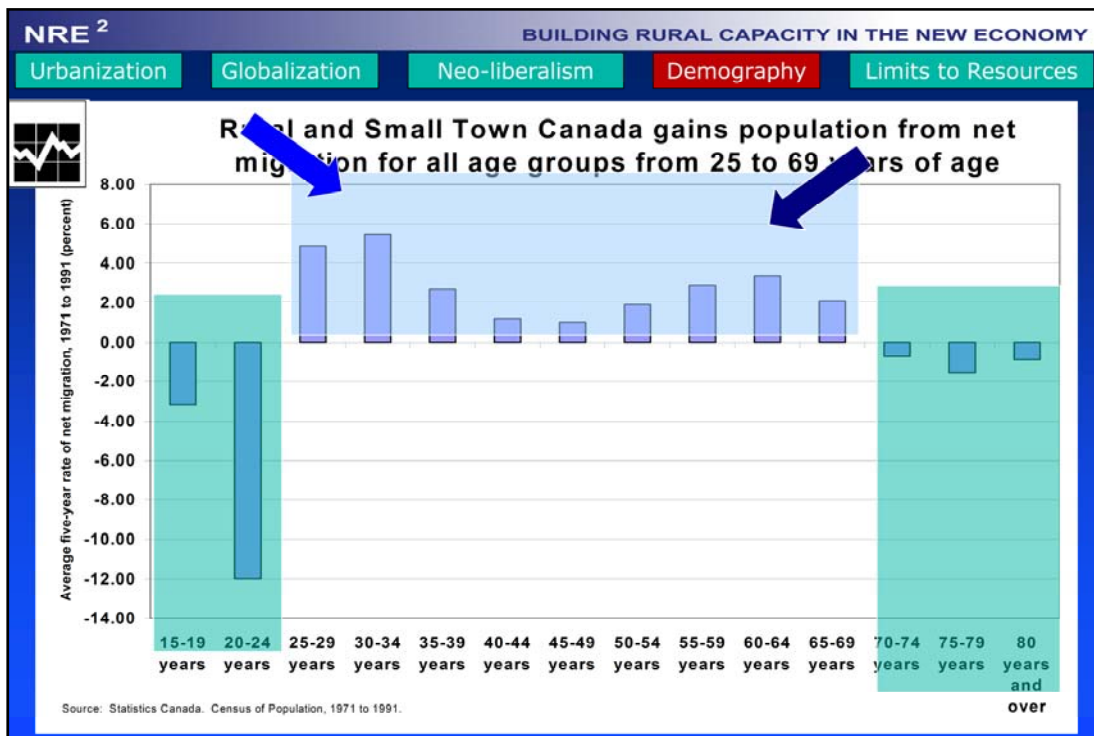
- Aging
- Aboriginal growth
- Increased mobility

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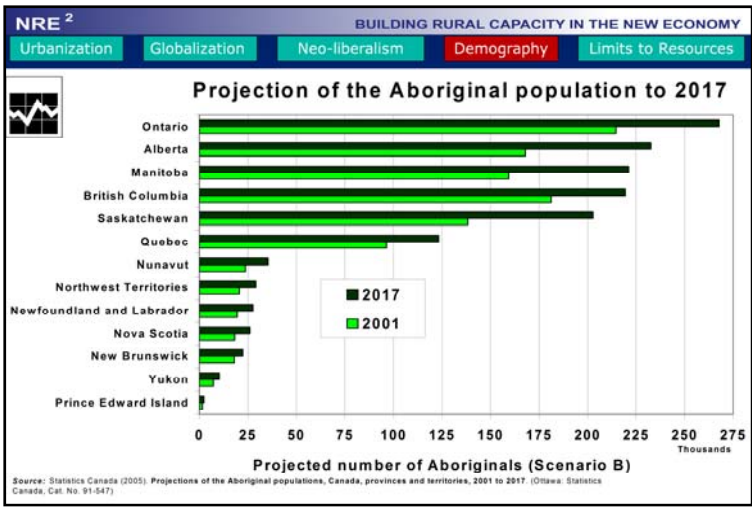


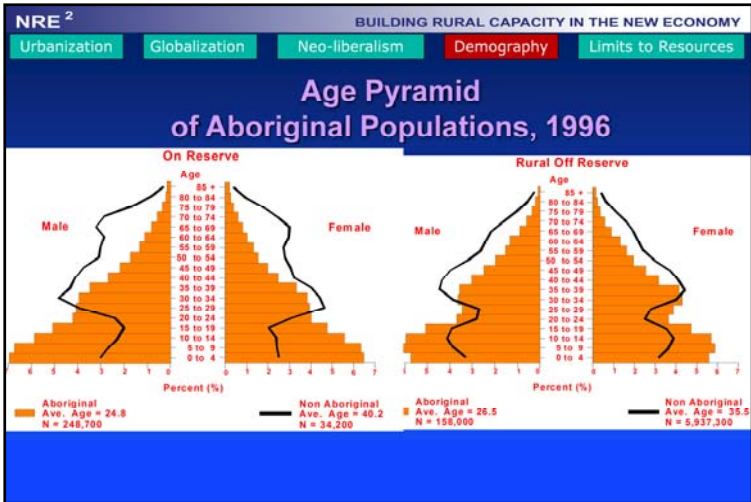
What are the likely rural outcomes under these trends and pressures – especially with respect to health?

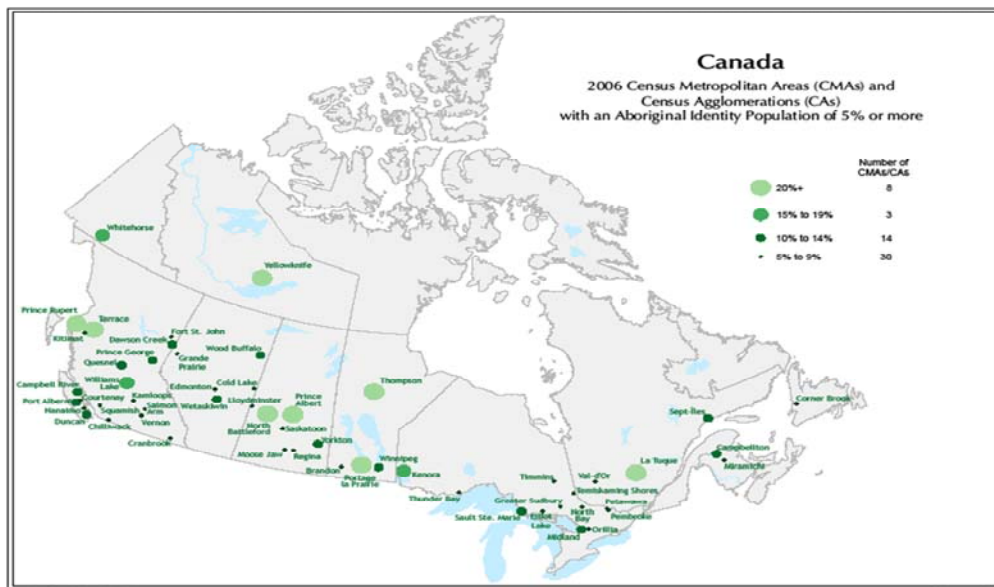
- (S) Continued depopulation and aging – especially in more remote locations
  - The key functions of rural Canada are changing
    - From source of commodity resources to residence, recreation, carbon sequestration, and sovereignty
    - Note how food and national security have become the major functions of rural in Japan, Europe, and the USA (where their massive agricultural support programs only make sense if we see that they are basically about national food security)
    - Food quality, water quality now important health-related functions of rural Canada
    - Intimately associated with community development
      - The city of NY, for example, has established a formal agreement with communities in the Catskill mountains – the primary source of their water.
      - In exchange for maintaining the quality of the water, NY provides funding for community development
      - Recognizing the intimate relationship between rural community health and good water.
- (S) Separation into winners and losers (communities)
  - Different health demands emerging in each of these
  - Watch out for downward spiral as dynamic nature of the relationships become manifested
  - Community disintegration needs social and cultural attention
    - Eg. Chandler's research on suicide provides a strong example of how it is linked with identity and culture
      - His research reinforces the importance of social activities supporting identity formation and change
      - (F) The graph gives a dramatic illustration of the way in which social and cultural relations affect health.
- (S) Rural people and communities will be forced to operate more on their own
  - Investment in rural enterprises and activities is perceived to be riskier by urban-based businesses
  - Uncertainty greater
  - More expensive because of distance
  - Greater political and economic preoccupation with urban challenges, infrastructure, and issues
    - Therefore less attention paid to rural
  - Made at home health solutions will become more important
- (S) Greater vulnerability to climate-related disasters
  - Including a renewed interest in small towns as the cost of travel increases
  - Fires, floods, new diseases are inevitable so preparations must be made now.
  - Health services in already stressed towns will be more difficult
    - Which services can be centralized and which decentralized to ensure a robust system?
- (S) Shifting uses for natural resources as technologies are developed – including biofuel and wind energy
- (S) Continued exclusion from the centres of technological development unless attention given to knowledge development and related institutions.
  - This will decrease the attention paid to long distance health technology unless pressure can be brought to bear on it or new alliances formed.



- RBRural Net-Migration Wins 25 to 69 yr of age.ppt
- Who is moving to rural Canada?
  - Where are they moving?
  - **WHY** are they moving?
    - On a net basis (i.e. accounting for out-migration and in-migration), the average rural and small town community in Canada loses youth in the age classes from 15 to 24 years of age but rural and small town communities attract young adults (and older adults) in all age groups from 25 to 69 years of age. In this sense, for age classes 25 to 69 years of age, rural and small town communities are “competitive” with cities because more people “vote with their feet” and choose to live in a rural and small town community rather to live in a larger urban centre.







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## Rural impacts

- Selective stresses on services
- Transportation challenges

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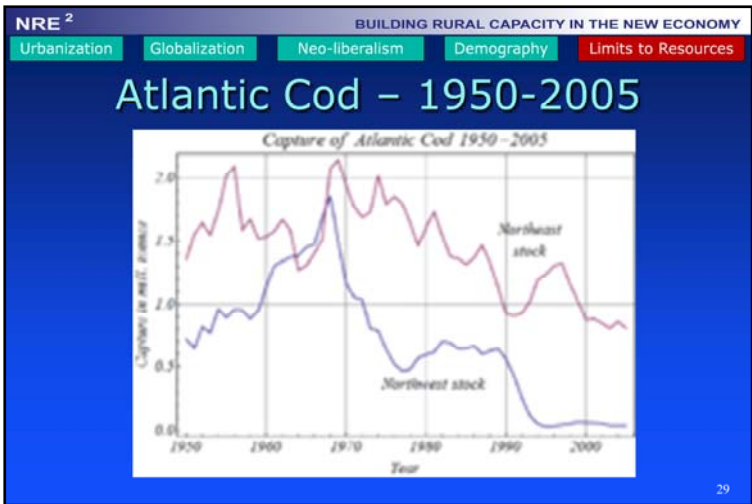
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## Limits to Resources

- Fish, forests, soil, minerals, petroleum
- Environmental impacts of global warming
- Biodiversity challenges

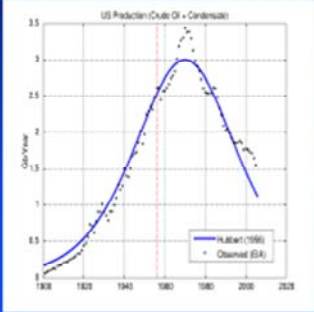
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## Peak Oil - USA



- USA oil production in decline since 1970
- Oil production in decline in 33 of the 48 largest oil-producing countries
- Canadian conventional oil production peaked in 1973
- Oil sands production is forecast to increase to at least 2020

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## Hirsch Report - 2005

- World peak oil is going to happen
- Peak oil will likely be abrupt
- Mitigation efforts require time (minimum 10 years, 20 years better)
- Economic and national risks to security

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• In 2005, the [US Department of Energy](#) published a report titled *Peaking of World Oil Production: Impacts, Mitigation, & Risk Management*.<sup>[1][2]</sup> Known as the [Hirsch report](#), it stated, "The peaking of world oil production presents the U.S. and the world with an unprecedented risk management problem. As peaking is approached, liquid fuel prices and price volatility will increase dramatically, and, without timely mitigation, the economic, social, and political costs will be unprecedented. Viable mitigation options exist on both the supply and demand sides, but to have substantial impact, they must be initiated more than a decade in advance of peaking."

• **[edit] Conclusions from the Hirsch Report and three scenarios**

- World oil peaking is going to happen, and will likely be abrupt.
- Oil peaking will adversely affect global economies, particularly those most dependent on oil.
- Oil peaking presents a unique challenge ("it will be abrupt and revolutionary").
- The problem is liquid fuels (growth in demand mainly from the transportation sector).
- Mitigation efforts will require substantial time.
  - 20 years is required to transition without substantial impacts
  - A 10 year rush transition with moderate impacts is possible with extraordinary efforts from governments, industry, and consumers
  - Late initiation of mitigation may result in severe consequences.
- Both supply and demand will require attention.
- It is a matter of risk management (mitigating action must come before the peak).
- Government intervention will be required.
- Economic upheaval is not inevitable ("given enough lead-time, the problems can be solved with existing technologies.")
- More information is needed to more precisely determine the peak time frame.
- **Possible Scenarios:**
  - Waiting until world oil production peaks before taking crash program action leaves the world with a significant liquid fuel deficit for more than two decades.
  - Initiating a mitigation crash program 10 years before world oil peaking helps considerably but still leaves a liquid fuels shortfall roughly a decade after the time that oil would have peaked.
  - Initiating a mitigation crash program 20 years before peaking appears to offer the possibility of avoiding a world liquid fuels shortfall for the forecast period.

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## Rural impacts

- Reorganization of economic base
- Vulnerability to extreme weather and disease
- Potential opportunities for alternate resources
- Possible recurring interest in local resources
- New opportunities with climate change

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## Round Tables

- Introductions
- Select scribe
- How have these changes affected your community and/or job?
- What strategies have you adopted (or would propose) to mitigate any negative impacts?

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- Introductions
- What changes have affected your community?
- Which changes have affected your department or business?
- How?

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