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## **The New Rural Economy: Key Observations for Research and Policy in the Canadian Context**

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### **Introduction**

Although Canada's rural population<sup>2</sup> has remained somewhat stable over time, the general figures mask far-sweeping changes to the demographic, economic, social, and political organization within that population. These include the growth of new regional cities, the desertification of vast expanses of Canada's countryside, the restructuring of services, and the re-evaluation of our assets. Accurately detailing these changes is a crucial first step to benchmark the discussion on appropriate policies and programs.

The separation of our observations into distinct topics does not imply they are independent. Each interacts with the others in a context which is dynamic and complex. Thus, collaboration and discussion is essential for decision-making and action.

### **Background: The New Rural Economy Project**

Based on more than 15 years of collaboration, the Canadian Rural Revitalization Foundation (CRRF) launched a multi-year project in May 1997 to collect information, build a network of rural people, researchers, and policy-makers, and conduct research on rural issues. This project, entitled *Understanding the New Rural Economy: Options and Choices* (NRE) designed a sample frame for rural research, selected 32 sites for fieldwork, established working relationships with citizens, produced community profiles in most of those sites, prepared a Rural Canada Database of survey, census, and field

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<sup>2</sup> Our definition of rural refers to individuals outside the commuting zone of towns with an urban core of 10,000 or more. This definition shows about 6 million rural Canadians since 1981.

data, organized annual national conferences and workshops, and established partnerships with more than 20 organizations (including some from the USA, Great Britain, the Netherlands, Germany, Mexico, and Japan).<sup>3</sup>

The first six years of the project (NRE<sup>1</sup>) were devoted to identifying the major changes taking place in rural Canada. We concentrated on the economic, social, cultural, and political changes over a period of about 50 years with a particular view to those that carried the strongest implications for rural policy and places. The following observations identify some of the most important changes.

## **Key Observations**

### ***Rural Canada is diverse***

Each rural community is different. Although this appears obvious, it is frequently forgotten in more general representations and interpretations of rural issues. The emergence and use of general, macro-level data and analysis can contribute to generalizations that are insensitive to such diversity if they are not subject to a critical evaluation on a regional or sub-unit basis.

The representation of that diversity is, by definition, complex. Key economic, social, political, or cultural dimensions show considerable variation among rural communities with considerable inter-relationship between them.<sup>4</sup> Attempts to cluster this diversity have consistently shown the limits to aggregation that reflect complexity (Hawkins and Bollman, 1994; Reimer, 1999; Alasia, 2004). Alasia (2004), for example, has identified six relatively independent dimensions by which rural census divisions can be differentiated and he goes on to show how these dimensions of diversity are only weakly related to each other and to the traditional classification of places by metro-adjacency – thus reinforcing the multi-dimensional nature of such diversity.

Reimer (2002b; 2004) argues that diversity also should be investigated in terms of the processes and contextual conditions of rural places. He identifies four key dimensions (connection to the global economy, economic stability, metro-adjacency, and institutional capacity) that are related to a wide range of local characteristics. Globally connected census subdivisions<sup>5</sup> (CSDs) suffer more population decline than those which are primarily integrated into local or regional economies, for example (Figure 1). Indicators of economic performance such as employment and incomes are related to global connectedness, metro-adjacency, institutional capacity, and the interaction between them. Even health characteristics such as mortality are related to the global connectedness and stabilities of local economies.

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<sup>3</sup> Details and results from this project can be found at: <http://nre.concordia.ca>.

<sup>4</sup> A summary of some of these issues can be found in Reimer (2004) <http://srdc.msstate.edu/measuring/ruraldiversity.htm>.

<sup>5</sup> Census sub-divisions are, generally, incorporated towns and incorporated municipalities.

## **Figure 1: Population Change by Exposure to the Global Economy 1986 to 2001 (Canadian CSDs)**

Thus, different communities will have different assets and will confront different decisions. The best strategies for revitalization will vary from one context to another. Building regional economies may be a better strategy for employment growth in remote locations, for example, rather than attempting to link globally. On the other hand, metro-adjacent sites may find that their employment grows more often by connecting globally.

Also, national programs will impact each community differently.

From the point of view of local decision-makers, these results reinforce the value of learning about local assets and combinations of assets as a first step to revitalization. They also indicate that the options for such revitalization will depend upon the contextual conditions

The relative independence of dimensions also reinforces the importance of local alliances for revitalization. Since local places will have their own particular combination of assets and characteristics, looking nearby to complement or build upon those assets makes a great deal of sense. This will not only help to provide the combination of assets that is necessary to maintain services, but it will create more fertile conditions for innovations to meet local challenges of an economic, social, and political nature.

### ***Primary industries are shedding labour***<sup>6</sup>

All primary sectors are substituting machines for labour and output, in general, is increasing (2005). Thus, rural communities dependent upon the primary sector must find something new to export from their communities in order to maintain their employment base. They must also build local skills to support the innovation and development of these new products and services.

### **Rural Canada is competitive in manufacturing employment**

Freshwater (2001), among others, has suggested that successful rural communities in the future will have a manufacturing base (except for the few with access to beautiful vistas, mountains, oceans, rivers, and lakes). Although agglomeration economies appear to be strong drivers for employment in the services sector, the declining cost of transporting goods facilitates the shift of manufacturing to rural areas. Often, the growth is in metro-adjacent areas, but, from 1989 and 1993 there was no decline in manufacturing employment in non-metro census divisions that were non-adjacent to metro census divisions (2001).

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<sup>6</sup> A more extensive development of this section can be found in Reimer (2005)

This analysis suggests that manufacturing offers hope for the expansion of rural communities, but they to do so in a strategic fashion. For this, it is important to develop knowledge about external markets for manufactured goods (and tradable services). The key role of natural resources in rural areas also implies that innovation for adding value to these resources would be a strategic objective.

### **Social capital is a critical asset for community development**

Social capital refers to the social networks that people can call upon for the resources and information to get things done. As with any social network, they include norms, values, incentives, and sanctions that function to coordinate behaviour for collective action (Fukuyama, 1999; Fullilove et al., 2000; Woolcock, 2001; Organisation for Economic Co-operation and Development (OECD), 2001a).

Building on the OECD definition of social capital, our research has attempted to complement the extensive literature on networks with a focus on the normative structures supporting those networks. Using literature from economics and anthropology (Polanyi, 1944; Fiske, 1991) we propose four basic normative structures guiding social behaviour.

The first, *market relations*, are the classical norms of open and free exchange of goods and services. The related social capital is reflected in commercial, labour, and housing markets and enforced by both informal protocols and formal laws.

The second type, *bureaucratic relations*, are the ‘rational-legal’ relationships based on status positions rather than productivity (Weber, 1978). The charters and by-laws of government and corporate organizations are key points of reference for identifying the allocation of rights and entitlements. The level of social capital, therefore, is strongly related to the ability of institutions to enforce those rights, either formally or informally (Stinchcombe, 1968:149ff). From the point of view of a rural community, its bureaucratic-based social capital depends, in part, on its ability to link to and “use” the networks of status positions within (and between) large(r) organizations. At other times, for a specific purpose, the community might organize itself as a bureaucratic organization – such as a building committee for a new ice hockey arena or other initiative.

The third type, *associative relations*, are those based on shared interests. Individuals come together in order to accomplish specific goals and express concerns that are common to the group (Olson, 1977; Gunn and Gunn, 1991:156). Clubs, social action groups, internet chat rooms, spectator events, hobby groups, and food banks are examples of these relations. The social capital in associative relations is the highest where information about others’ interests is easily available, interests merge, where the symbols of commitment to the goals are clear, and where there is considerable contribution to the goals on the part of members. Much of the empirical investigation reported in the literature is based on associative relations (Putnam, 2001).

The final type, *communal relations*, are based on strongly shared identity. Membership and collective action is often based on ascribed characteristics of birth, ethnicity, or

location (Fiske, 1991:258ff; Benokraitis, 1997). Family, friendship, gang, and clan relationships are developed and maintained by custom (Hamilton and Biggart, 1992; Whyte, 1993; Organisation for Economic Co-operation and Development (OECD), 2001b). Social capital based on communal relations usually requires a long time to develop, but it is also relatively resistant to erosion and forgiving of abuse.

Each type of social relation operates with considerable internal coherence. Threats will activate resistance and those who benefit from it are likely to champion its survival and expansion. In this respect, the social capital can become self-regulating in a weak or strong sense. On the other hand, each type of relation is not isolated from the others. All four of them usually operate together in a specific situation, although only one or two may be dominant.

This four-fold classification contributes to the discussion of social capital since it identifies which type of social capital can enhance or inhibit another type. In doing so, it reinforces the point that social capital may not only have negative outcomes (Onyx and Bullen, 2000) but that it may have inherent contradictions within itself. In addition, it provides a framework for understanding the dynamic qualities of social capital – both within and across the various types.

Results from NRE<sup>2</sup> research illustrates a number of key points. First, these types of social relations do not always occur together and they rarely substitute for one another (i.e. they are all positively correlated). Two policy implications arise from these results: the existence of one type of social capital may provide a basis for building another type, and policies reducing one type are unlikely to be compensated for by increases in another type.

Second, we have found there is only a low correlation between the *existence* of networks and the *use* of these networks (Table 1). This suggests two policy implications: building social capital through institution-centred approaches (Hooge and Stolle, 2003:203) may have a limited impact on the *use* of those institutions as social capital<sup>7</sup>, and consequently, enhancing the capacity of individuals to network is not heavily constrained by the lack of available formal social (network) institutions.

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<sup>7</sup> This also supports the research showing the importance of bottom-up approaches to building social capital and capacity.

Table 1: Available Social Capital by Use of Social Capital within 30 minutes (NRE Household Survey - 1849 cases)

	density of enterprises and market services per 100 families	density of bureaucratic services per 100 families	density of associative services per 100 families	density of communal services per 100 families
use of market capital	-.10**	-.07**	-.08**	-.11**
use of bureaucratic capital	-.07**	-.05*	-.05*	-.05*
use of associative capital				
use of communal capital	.06*	.07**		

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Third, our analysis reveals that the type of social capital influences the various outcomes reported by individuals (Reimer, 2002a; Reimer, 2004; Tiepoh and Reimer, 2004) (Table 2). We also found that certain combinations of social capital types occur for different purposes. For example, communal and bureaucratic social capital is often used in combination to deal with health-related outcomes.

Table 2: Use of Social Capital and outcomes - NRE HH Survey (Minimum N=1826; p < .05 only)

<b>Outcomes (individual level)</b>	<b>Market</b>	<b>Bureaucratic</b>	<b>Associative</b>	<b>Communal</b>	<b>Total</b>
government transfer payments	-0.36**	0.23**			-0.07**
receive low income supports	0.20**	0.22**		0.17**	0.19**
income	0.53**	0.10**	0.21**		0.34**
education	0.37**	0.23**	0.20**	0.10**	0.34**
perceived social cohesion	0.08**	0.09**	0.21**	0.17**	0.20**
commitment to community			0.08**	0.06**	
perceived neighbourliness	0.14**	0.09**	0.14**	0.20**	0.20**

\*\* Correlation is significant at the 0.01 level (2-tailed).

Finally, we show the important role of geographical, economic, and historical context in understanding social capital. The *use* of social capital has a significant effect on household incomes in those locations that are well connected to the global economy, but much less of an impact on those where the economies are more locally or regionally oriented (Table 3). This type of contextual effect is found in the relationships between social capital use and several other variables.

Table 3: Regression of Household income on Social Capital, Education, and HH Size under NRE Sample Frame conditions

	Total	Local	Global	Stable	Fluct.	N.Adj.	Metro Adj.	LoCap	HiCap
R <sup>2</sup>	.37	.42	.35	.29	.43	.41	.31	.43	.35
Market	1	1	1	1	1	1	1	1	1
Educ	2	2	2	2	2	2	2	2	2
HH Size	3	3	4	4	3	4	3	5	3
Bureau.	4	4	6	3	5	6	4	6	4
Comm.	5	5	5	ns	4	3	ns	4	ns
Assoc.	6	ns	3	5	6	5	ns	3	ns

Ranks based on standardized coefficients

Source: NRE HH Survey 2001 (1995 HHs)

Thus, national or regional policies and programs must remain flexible to local conditions. Increasing the availability of social capital will not necessarily lead to its use, not all types of social capital will have similar effects, and the effects will not be the same under all contexts. We are challenged as researchers to understand these multi-dimensional and multi-level processes so that policies and programs will be better suited to the specific conditions under which they are applied. The distinctions we have made in the normative structures of social capital, the distinction between its availability and use, and the analysis under contextual conditions are all important contributions to that end.

***The (local) environment is becoming more important as a quality of life issue***

Others have identified that we are living in an era of “simultaneous globalization and localization.” (Speed, 2002; Schuerkens, 2003) Some determinants of our livelihoods are moving to the global level and some determinants of our well-being are moving to the local level. The quality of the environment (both the natural environment and the built environment) is generally open to significant influence by local initiatives. A thoughtful and strategic approach to the management of this environment asset can significantly increase opportunities for a community’s future.

***Knowledge-intensive employment has increased and is growing***

Countries and regions with knowledge workers have a competitive advantage. Thus, knowledge and skills are important community assets. Rural areas are at a disadvantage over urban places, however, since they are more likely to have low skilled jobs (2004).

Even when the technological opportunities exist, the ability of the local population to use them is not always adequate. Internet use for business and economic purposes remains relatively low, even in sites where the infrastructure is available (Table 4) (Singh, 2002; McLaren, 2002; Beckstead and Brown, 2005). On the other hand, using the Internet for personal communication and information gathering is relatively high, especially for younger people.

New technologies are used as a supplement to the old. Bulletin boards in local centres and cafes, telephone calls, and local newsletters remain basic forms of communication – often serving as a means for passing on e-mail addresses. These suggest points of departure for building the capacity of rural people to use the technology and find new ways of using it for both social and economic objectives. Once again, education (both formal and informal) becomes a critical element in the process.

One strategy is to identify current knowledge workers and those that are potentially able to work in knowledge-based occupations. They become key community assets. Using local knowledge as a basis, the next step would be to explore opportunities for knowledge-related economic developments at a regional, national, and international level.

Table 4: Objectives of use by % of Internet users

Activity	%
Family and Friends	71
Browsing	71
Personal research	67
Entertainment	43
Business-related	42
Employment-related	35
Health information	34
Health providers	6

Source: NRE HH Survey 2001 (1995 HHs)

In all of this process, it is important to remember that the skills and opportunities related to the new economy are not necessarily located in the formal economy. School activities, family e-mails, internet gaming, curling rinks, and coffee shops are all sources of information and skill development that may contribute to the acquisition and development of skills. We have come across many examples of informal clubs or friendship groups that have served as a basis for economic development in rural places.

***The price of communicating and the price of transportation are falling (relatively at least)***

Rural, by definition, is distance and density. Thus, rural analysts<sup>8</sup> focus on reducing the price of rurality – specifically, reducing the price of distance and reducing the disadvantages of low population density (or the lack of agglomeration economies).

One can formulate various indicators of the price of distance. One measure might be the money cost of moving a good or a service or a person or an idea across distance. Another

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<sup>8</sup> Analysts who focus on issues other than distance or density would (and do) apply their expertise equally to rural or urban populations. Issues other than distance or density in predominantly rural regions would be more properly classified as regional analysis, rather than rural analysis.

measure might be the time cost of making this exchange. Other measures might be hypothesised, such as the social price of distance or the health<sup>9</sup> price of distance.

Bollman and Prud'homme (forthcoming) have documented that:

1. the price of transporting goods has *fallen*, generally, over four decades;
2. the price of transporting people has *risen*, generally, over four decade; and
3. although the price of telecommunications has fallen dramatically over four decades, we suspect that the price of urban-to-urban telecommunications has fallen more than the price of urban-to-rural or rural-to-rural or rural-to-urban communications because of the differential access to Broadband.

These conclusions suggest several strategic considerations. First, infrastructure should be built to facilitate the use of modern telecommunications. This will position the local population to take advantage of the lower communication prices for business, social, and personal objectives. It also serves to reduce the necessity for people to move, either on a daily (commuting) or other basis. The advantage of this approach is already apparent in many of the communities close to urban centres, but it will likely become even more important to remote communities if the price of transporting people continues to increase.

Second, it would be a reasonable strategy to build the infrastructure for truck transport (and maybe container transport by rail). This would complement the advantages of declining telecommunications prices to facilitate trade with national or international partners.

Finally, it suggests that places dependent on tourism should seek ways in which the cost of transporting people may be reduced or offset through tours or innovative marketing approaches. Without them, the increased costs of travel may keep more visitors at home.

### ***Youth are leaving, but young families return***

All provinces in Canada experience the outmigration of youth between 20 and 24 years of age as they move out for education, employment, or new experiences (Rothwell et al., 2002). However, in some, there is a pattern of in-migration among older people (25 to 64) that tends to compensate this loss. As Rothwell et al. (2002) indicate, many of these in-migrants come with levels of education that are higher than the average in their communities of destination, leading to a net gain, especially during those periods of rural growth (1970s and 1990s). If your community is an attractive place to raise a young family, you can attract them BACK (Rothwell et al., 2002). – and they would likely create their own job!

Several rural communities have created opportunities to encourage this return. They encourage their youth to move away for employment and education objectives, but maintain close contact with them in anticipation of their return once they establish families of their own. They use regular newsletters, Internet sites, invitations to local

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<sup>9</sup> One analyst calculated that the probability of dying from a traffic accident in a winter trip from Manitoulin Island to Sudbury was greater than the probability of dying from breast cancer by not having a mammogram examination. We suggest that this is an example of the “health price” of distance.

events, and family connections to keep their youth informed about local events and opportunities, and they plan their local services strategically to ensure that the services remain for young families during the interim. In others, we have found that small venture capital funds have been established for returning youth and mentorship programs established to facilitate the process of starting and building businesses in the region. Even school reunions and regular festivals can serve as a basis for re-connecting with the region’s diaspora to explore new opportunities that may emerge with age.

***The concentration of industry has increased***

The major employer in some rural communities is a large corporate enterprise. Subsequently decisions about local operations are often made outside of the community, with little attention to local conditions. People and organizations in these communities often have little influence over those decisions.

Two key strategies for those living in rural areas may be suggested. First, they mean that local control is unlikely to increase without initiative being taken by rural people. This may take the form of increasing knowledge regarding the corporate and control structures of these external firms, or it may mean the creation of local firms to increase the local return from production. Second, both of these can be facilitated by improving communication with regional, national, and even international groups and organizations. Building strategic alliances for information and action would be an important feature of this type of action. Such alliances may include the corporations and firms that operate within the local context as well as those with the potential to do so.

***Government services have become more centralized***

During the 1980s and 1990s in Canada, there was pressure to privatize services that might be “profitably” provided by a private organization (Marchak, 1991). Consequently, rail services, air services, and wharf facilities were curtailed in some rural communities.

In addition, technology changed. For example, the equipment needed for a full-service hospital increased. Consequently, a larger number of “clients” was needed to justify the location of a full-service hospital. Rural towns that were unable to grow their population at the same pace as was necessary to justify a full-service hospital found themselves unable to keep their hospital. This was not a case of the loss of a hospital killing a town – rather, it is the case of dying town being unable to justify (i.e. to create the demand in terms of the number of “clients”) for the hospital service.

Bruce and Halseth (2004) note (Table 5) that while many towns have lost the local provision of services (such as doctors and schools and grocery stores), these services remain available within the region. The challenge for the local community is to link itself into the governance structure for these regional services.

Table 5: % of sites by type of service in site and year (NRE field sites)

<b>Services</b>	<b>1998 (24)</b>	<b>2000 (20)</b>	<b>2003 (21)</b>
Doctors	45.8	50.0	33.3
Nurses	45.8	*	33.3
Dentists	33.3	35.0	23.8

Optometrists	12.5	*	19.0
Physiotherapists	*	15.0	23.8
Pre-school/kindergarten	*	*	47.6
Elementary	76.0	70.0	61.9
High School	40.0	35.0	23.8
Continuing Education	41.7	45.0	23.8

\* data not available

In addition, rural people will need to find new ways to access these services. Some populations are now more vulnerable than others (e.g., youth, women, elderly and other similar groups that have less access to transportation).

Examples of innovations for service delivery can be found in many of our field sites. Tele-health and distance education both take advantage of high speed communication technologies wherever they are found. Car pools, and community-organized emergency and regular transportation are sometimes organized to deal with the transportation demands of rural living. In many cases, however, insurance costs make the expansion of these approaches prohibitive on anything more than an occasional basis. This highlights the important role for regional and national government intervention to help smaller centres deal with these challenges. It also points to the importance for local places to build their networks with regional and federal governments and organizations in order to open opportunities for innovation through creative institutional and policy arrangements.

***We are all aging – and many rural communities are aging relatively faster***

The Canadian “baby-boom” (a large number of births in the post-WWII period) is well known. This cohort will continue to have an impact on our lives as they age, creating demands for recreation as they retire and medical services as their health needs change with age.

Due to on-going youth out-migration, rural areas, compared to urban areas, have a relatively smaller share of youth in the workforce and a relatively higher share of children under 15 year of age (although there is a decrease in their absolute numbers). This migration also results in a higher share of the population 65 years of age and over (and generally an increase in their absolute numbers) (cf. Figure 2).

**Figure 2: Population pyramid for rural and urban Canada (2001)**

Source: Statistics Canada, 2001 Census

Thus, the types of services needed for local citizens are changing - from fewer playgrounds to more community transportation facilities. The pool of people for voluntary groups is changing, as well, creating conditions where there are fewer young people to take care of more elderly. In response, communities must explore new strategies for supporting their elderly while drawing upon an older pool of social support than in the past. This may require a regional rather than a local approach to the issues in order to reorganize how social support is provided.

### ***Rural communities are perceived as safe communities***

Although this does not necessarily correspond to actual crime rates, rural communities are perceived as relatively safe places to live. Mihorean et al. (2001) found that rural residents are more likely to feel very safe when walking alone after dark than were urban residents (Figure 3) and they were less likely to take precautions against crime (Figure 4). These differences in perception are supported by other survey analysis (Stein, 2001).

Figure 3: % of Population by Feelings of Safety

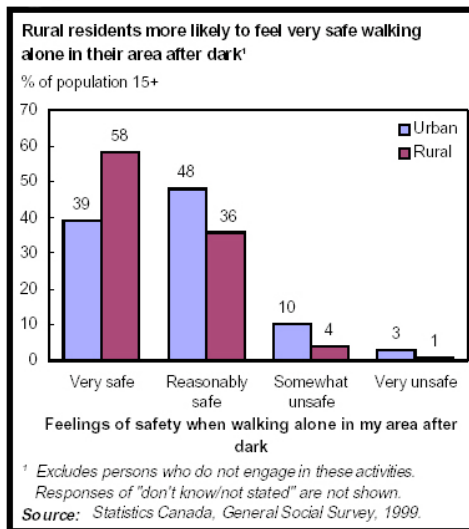
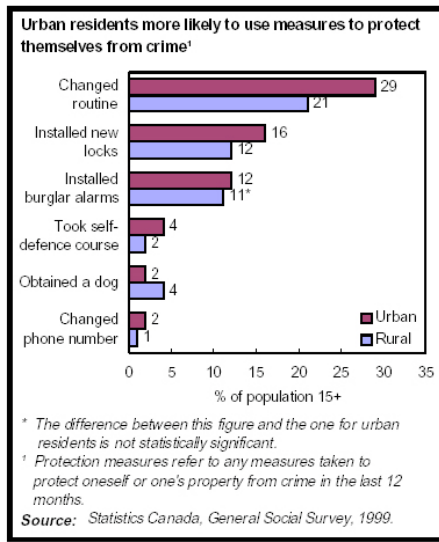


Figure 4: % of Population by Use of Protection Measures



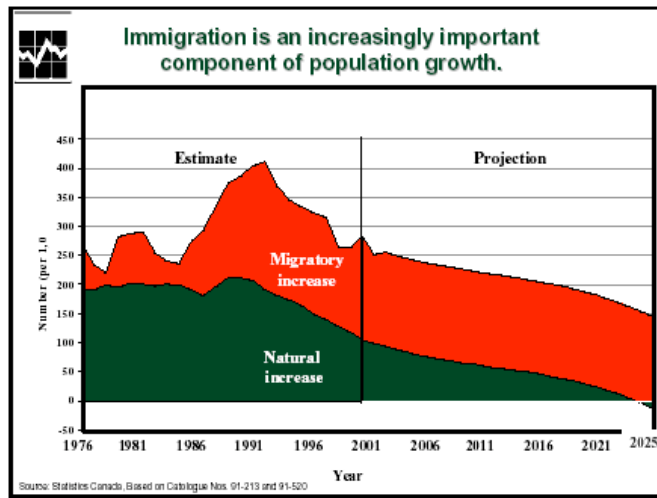
Several implications emerge. The perception of rural places as safe can be considered a community asset that can be used as a basis for attracting new residents, especially among the elderly and those with young children. As the stresses of urban living grow, this is likely to be of increasing importance in the future and it may be an important feature in encouraging youth back as they establish families of their own.

This perception will only remain an asset so long as the conditions supporting it remain. Since they do not coincide with actual crime levels, they are particularly fragile. Thus, levels of crime in rural areas must be understood and reduced wherever possible. Voluntary neighborhood watch groups, local activities for all ages and types of citizens, and social integration programs for newcomers are likely to be valuable contributions to this end. They have the advantage of building social cohesion and local capacity to deal with challenges and emergencies along the way.

***Immigration will remain strong***

Population projections for Canada indicate that by 2026, there will be more people dying than will be born within Canada and thus our only source of population growth will be from international immigration (cf Figure 5).

Figure 5: Contributions to Canadian population growth by years (1976-2025)



Beshiri (2005)

Although Canada has a relatively high level of immigration, only about six percent of immigrants go to predominantly rural areas. In 2000, Statistics Canada conducted a survey of immigrants to Canada, revealing that the strongest reasons for settling in a region other than Montréal, Toronto, or Vancouver were, first, joining family and friends (36%) and second, employment opportunities (32%). Education (12%), lifestyle (6%), and business prospects (6%) were considerably less likely to be chosen.

Rural regions tend to reflect a greater ethnic homogeneity than in the larger urban centres. For that reason, special effort must be given to deal with social norms that are exclusive and narrow. In their place, it is necessary to legitimize diversity, exploration of difference, and tolerance. This can often be done through third sector groups that already have a commitment to such values and to those that represent the interests of a variety of ethnic or religious groups. The advantage of this approach is that it will most likely link the local community to the broader networks on which the interest groups may rest.

Immigration also tends to occur in streams – immigrants prefer places where they already know someone and where cultural institutions exist for their support. Rural communities may make use of such knowledge to target and encourage particular immigration streams.

### ***Rural and urban Canada are interdependent***

This observation seems self-evident from a rural researcher's point of view. However, the debates regarding cities and communities in Canada today focus on the urbanization of Canadian society, the challenges this creates for urban regions, and the ways in which it has marginalized rural places and spaces. They tend to be discussed within an economic framework emphasizing the movement of goods, services, and people alone.

But the interdependence of rural and urban places is reflected in more than trade and labour relations.

To this end, we have identified five general bases to investigate rural and urban interdependence.

1. The flows of goods, investment capital, services, people, and information related to trade and commerce that link rural and urban places.
2. New functions and complementarities of functions bind rural and urban places. 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 yet they are not reflected in the typical accounts of flows between rural and urban locations.
3. Canada's many national and regional institutions, both formal and informal, dealing with health, education, criminal law and environmental regulations bind us on the basis of common criteria for access to services and resources.
4. The environments we share create interdependence. This includes the water, air, and climate plus many related issues such as food and bio-diversity;
5. Finally, we can see an interdependence between rural and urban regions through the perceptions, values, identities, and ideologies about such places. Canada is often marketed, abroad and to ourselves, as a county of rural vistas. Such perceptions remain a basis for judgments and decisions that continue to have impacts on rural areas. They are also critical for social cohesion and well-being (Chandler et al., 2003). Similar processes are involved when we consider the perceptions that rural Canadians hold regarding urban centres. They may not always be positive, but they affect our relations in complex ways.

## **Conclusions**

Rural is (long) distance and (low) population density. Distance means that any product or service will have to be delivered to a buyer over a considerable distance (or the buyer will have to travel a considerable distance to enjoy your amenities). Low population density means that your community will not have the agglomeration economies to support a large production run of any good or service – the production runs will necessarily be smaller and unique to meet the niche characteristics of your target market. Low population density also means, on the social side, that social networks are thinner – such as fewer volunteers stepping up for each call for volunteers.

Rural also means proximity to natural resources and environmental assets as well as considerable social capital closely tied to place. Rural places provide many examples of innovation and initiative in the use of those assets – an inspiration for opportunities that may currently be overlooked by others.

The challenges faced by rural people and places cannot be dealt with in a piece-meal fashion. Multiple approaches must be adopted in order to deal with the many changes taking place. These should include the identification and development of networks at regional, national, and international levels to better understand and respond to the many changes affecting local communities. These networks can also be used to build alliances,

identify markets, and recognize opportunities with respect to economic, social, and environmental objectives. Rural communities will also benefit from developing the infrastructure for knowledge creation and exchange – of both a formal and informal nature. Schools, colleges, universities, broadband, NGOs, recreation and professional groups, media, and even family connections call all be part of this infrastructure. They all can be used to provide information, encouragement, new ideas, and models for the development of a learning culture locally and regionally.

Rural people have demonstrated their willingness and ability to address the complex challenges they face. We must identify the ways in which our political and institutional structures can facilitate this process. It is in the interest of all Canadians that we succeed.

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