

The Canadian Rural Revitalization Foundation

Facilitating Rural Futures: multi-level governance under austerity

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Social Sciences and Humanities Research Council of Canada Conseil de recherches en sciences humaines du Canada

- Other speakers will be focusing on the big picture regarding rural-related policy
- I will focus on the regional and local side – the implications and strategies related to community and small town sustainability and revitalization
- What have we learned about strategies for these places?
 - How can they best position themselves for these global futures?
 - How can provincial and federal governments facilitate what communities need and create conditions that are amenable to their sustainability and revitalization?

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- NRE Research Team*
- Rural Citizens in our field sites*

•Ontario is not alone in advocating more support and collaboration among levels of government and types of organizations, but this is easier said than done – especially under conditions of austerity. This presentation identifies some of the challenges such policies face and discusses some of the lessons learned from cross-Canada comparisons.

•Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) is based in Guelph (adjacent to the University of Guelph campus). Twice a year, our branch organizes an Executive Forum, which brings together the Ministry's entire senior management, including the Deputy Minister, four Assistant Deputy Ministers and 25 Directors for knowledge development and sharing, and to discuss the state of the agriculture, food and rural sectors, and the domestic and global opportunities and challenges in the medium to the long terms within which OMAFRA is required to deliver its services, implement the mandate of the government and chart the strategic direction for the future.

Understanding Rural Canada: Context, Challenges, and Opportunities

Canada was born as a trading nation. Its rural areas were settled to export fish, forest products, food, minerals, and energy to a growing and changing world. As a result, we are highly susceptible to events both within and beyond our borders. This presentation will identify some of these key changes and use them as a basis for discussing the challenges and opportunities they create for rural places and people. Mechanization, shifting trade patterns, urbanization, population growth, climate change, ideological realignments, and immigration are some of the changes that have important implications for rural places and policy. Examples from over 30 years of research on rural issues will be used to illustrate policy issues relating to economic strategies for small places, regional governance, rural-urban interdependence, immigration, and rural identity.

This presentation will be based on a chapter Bill co-wrote with Dr. Ray Bollman (Statistics Canada) in a book by David J.A. Douglas entitled "Rural Planning and Development in Canada" (Nelson, 2010). It is available as a free eChapter from Nelson Brain at http://www.nelsonbrain.com/shop/content/douglas00812_0176500812_02.01_chapter01.pdf. Other materials produced by Dr. Reimer can be viewed via <http://billreimer.ca>.

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A Critical Review of Theory, Practice and Potentials

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- Most of what I have to say today is informed by 3 main projects:
- An 11-year study involving 32 systematically selected rural sites across Canada (and 2 in Japan) – from 1997 to 2008 – the New Rural Economy Project of the Canadian Rural Revitalization Foundation.
- Current work being undertaken by the Monieson Centre at Queens University.
 - They have been working on economic and regional development issues in Eastern Ontario since 1998 – focusing primarily on knowledge capital and how it can be enhanced through governance, innovation, and human resource management.
- A national comparative study of new regionalism and governance in NL, QC, ON, and BC.
- One of the common themes in these three projects concerns the issue of governance
 - How do local communities manage their affairs (formally and informally)?
 - How do they relate to the formal structures of provincial and federal governments?
 - What can we learn about good strategies for organizing these inter-relations – within communities, among communities, and between these communities and the national and global context.
- From this extensive work, I will identify a few things we have learned that are likely to be of value for Ontario.
- Inspired by an emerging set of perspectives in both the policy and research contexts represented by the phrase “The New Regionalism”
 - From the policy side: reflected in the OECD documents
 - The New Rural Paradigm (2006)
 - Rural Policy Reviews: QC (2010)
 - From the research side: there are many theoretical and empirical studies throughout the literature on new regionalism - regarding topics such as governance, economic clusters, information technology, and innovation.

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Old Rural Economy	New Rural Economy
<ul style="list-style-type: none"> • Homogeneous culture • Low mobility • Simple and repetitive • Resource commodities • Low knowledge demands • Local relations important 	<ul style="list-style-type: none"> • Diverse cultures • High mobility • Complex • Services, amenities, manufacturing • High knowledge demands • External relations important

•What is the “New Regionalism”?

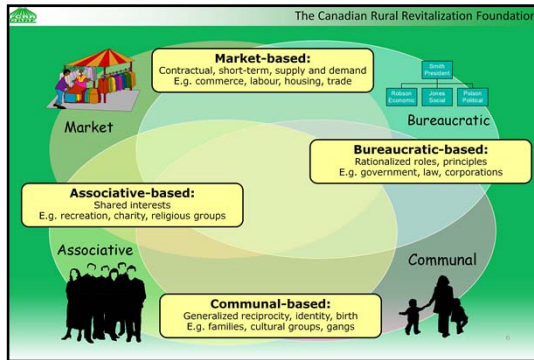
- Attempt to understand the changing conditions in industrial structures and their implications for economic competitiveness and governance
 - Often referred to as a transition from Fordist to post-Fordist organization – or the movement from Keynesian to neo-liberal regimes
- We have become (>) more diverse, (>) more mobile, (>) and more complex
- (>) No longer is rural simply a resource economy – but much more mixed:
 - Services and amenities
 - Manufacturing (rural manufacturing has remained competitive - growing its per capita share)
 - This is something to keep in mind as we look for rural assets and opportunities
- (>) Demands for knowledge are much higher on businesses, producers, municipal governments, and NGOs
- (>) It’s not enough to know only about the local scene – but need to know what’s going on in the region, province, country, and the world
- That’s why **building capacity** to understand and meet these new conditions has become the centre of attention for so many policy-makers, practitioners, and researchers.



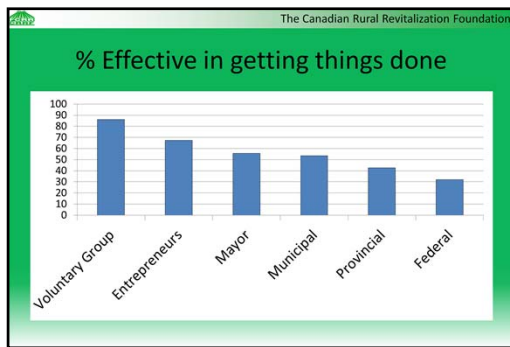
- In our analysis of these new regionalism approaches we have identified five main themes of this literature and policy discussion
 - > Collaborative, multi-level governance
 - > Integrated approaches (across sectors, departments, etc.)
 - Shift from agriculture policy to territorial policy in the OECD (New Rural Paradigm)
 - > Enhanced knowledge flow, learning, and innovation (vs. extraction and production alone)
 - Local, regional, national, international
 - Recognition of the global nature of markets, competition, products, and opportunities
 - Important shift for Canada – where we have traditionally depended on commodity trade – and continue to do so
 - > Place-based development (vs. policies that target individuals or sectors)
 - Recognition of the regional basis of knowledge, innovation, and opportunities
 - Policies are always worked out in specific places – with particular constellations of assets, capacities, and histories.
 - Focus on competitive advantage rather than comparative advantage
 - Mobility of trade has undermined the appeal of the specialization approach of comparative advantage and encouraged policies favouring the development of high quality products that can outperform competitors.
 - This opens up many more options for small communities and regions
 - > Rural-urban interdependence (vs. separate economies and societies)
 - Recognition that our interests remain connected
 - Rural provides resources, labour – and more manufacturing than we imagine – to urban centres
 - Urban centres provide intelligence, markets, and finances to rural areas
- The general research on these topics is in its infancy (from a research lifecycle point of view) so it is primarily descriptive at this point – and speculative with respect to the conclusions
- Today I will focus on the issue of multi-level governance
 - Probably most relevant to the people gathered here and
 - One of the issues is specifically targeted in the research in which I have been involved.



- What have we learned about governance in rural, regional, and the northern contexts?
- >First: Governance works best when it is inclusive of multiple partners: state, private, 3rd sector, local, regional, provincial, federal
 - Most issues – especially rural and regional ones – are interdependent and interdepartmental
 - Not always the fastest or easiest, but the most sustainable and resilient – especially in the context of rapid change and complex interdependencies.
 - Requires recognition of the different motivations, modes of operating, and priorities of the multiple partners: the norms by which they work when co-ordinating their behaviour



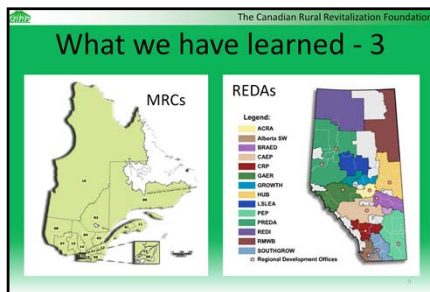
- We have attempted to represent some of the most important differences as four types of normative systems
 - The formal and informal rules, guidelines, assumed ways of behaving that guide the action of people in those networks: the norms by which people interact and co-ordinate their interaction.
- (S) Market-based norms
 - Most often reflected in relationships among private sector actors - commercial interactions, housing markets, job markets, and all levels of trade relations
 - Based on contractual relations – usually short term, exchange oriented, guided by supply and demand
 - Access to resources and support services is conditioned by one's ability to trade, bargain, and exchange (includes the necessity to have or create something to trade)
- (S) Bureaucratic-based norms
 - Most often found in public institutions, corporations, many NGOs
 - Classic rational-legal relations as articulated by Max Weber
 - Guided by general principles and interlocking roles as reflected in by-laws and organigrams.
 - Access to resources and support services is made according to one's assigned role and status (within and external to the organization)
 - If you meet the criteria (e.g. age class, gender, or land ownership), you gain access to the resources – so long as you know the criteria and how to access them
- (S) Associative-based norms
 - Predominate in voluntary organizations, social action groups, emergency responses
 - People come together and organize their activities around a common interest
 - Participate and contribute so long as this interest is being served – or is likely to be achieved
 - Access to resources and services under these normative systems is according to one's commitment to and support for the common interest
- (S) Communal-based norms
 - Predominate in families, gangs, cults, ethnic groups, etc.
 - People organize their behaviour with respect to family, ethnic, or other complex loyalties
 - Inclusion and exclusion usually guided by ascribed characteristics or strong identities
 - Don't have the single-focus outcomes as found in associative-based relations
 - Access to resources and services according to identity (often ascribed) and loyalty
- All forms are necessary in a complex, changing environment
 - The more agile a group, household, or community is in being able to use all systems, the greater will be their capacity to access resources or support - especially under conditions of change.
 - Each of them forms a basis for social supports and social inclusion or exclusion.
 - Each is an important component of governance.



- The challenge is that these four systems are not always compatible
 - From a bureaucratic point of view the allocation of resources and support must be justified on the basis of some general principles: e.g. fairness, representation, and accountability
 - Can conflict with norms that lie at the basis of the groups or organizations with which one wishes to partner:
 - Market norms encourage open information flow, supply, and demand
 - These principles can conflict with bureaucratic principles/policies regarding equity, security, and the negative impacts of market failure or externalities that oblige them to transfer funds, mitigate inequality, and provide remedial support.
 - Associative-based norms support charisma, goal achievement, and passion
 - These can conflict with bureaucratic concerns about the consistent application of general principles such as representativeness, fairness, and accountability.
 - The communal-based norms of loyalty and ascribed characteristics (e.g. kinship) can look like patronage and favouritism.
- One of the most important challenges is with the bureaucratic-associative relationship
- Traditionally – rural community governance organized around associative and communal relations
 - If you want to get something done – speak to the Women’s Auxiliary or the Volunteer Fire Dept
 - In the case of Barriere it was the “Quad Squad” (club of 4x4 enthusiasts) who provided a key role for information, communication, rescue, and security when a fire raged through the valley in 2003.
- But it is becoming more difficult for such groups to function – with decreasing populations and the increase in regulations that have come with bureaucratic demands and state withdrawal
 - The church kitchen no longer meets health standards or the insurance for the local school makes it impossible to use for other purposes after hours.
 - Our research demonstrates this trend by showing how local organizations with Boards of Directors are more likely to receive government funding than those with a more informal structures.
 - Or – how the demand for fairness and accountability undermines the enthusiasm and motivation required for associative-based relations
 - People do not attend such groups to fill out forms and prepare financial accounts – they want to get things done – whether it be play a hockey game, build a church, or protect a forest.
- Governments are not strongly trusted these days – but local governments are trusted more than those at the provincial or federal levels.
 - Our research shows that confidence among our rural respondents is strongest for local leaders and voluntary associations.
- There is often a missed opportunity here – particularly for governments
- Finding ways to integrate associative-based (and others) into government policies and programs is very strategic – especially under conditions of austerity.



- Effective collaboration and alliance-building is dependent on the channels and supports at the local level (including local opinion leaders, bulletin boards in the local post office or grocery store as well as the telephone)
 - Sometimes (and for some people) they serve as the primary contacts and methods of communication
 - But more often as a supplement to others
 - Checking with friends and neighbours to get their opinions and learn from their experiences is often a supplement to innovation and learning
 - What's the best way to find a job? How can I use a computer? How do I find out what government programs are available – and that I can trust?
 - People initially seek out family, friends, and neighbours to answer these questions and to develop the necessary confidence to sort out the good advice from the bad.
- > These create opportunities for valuable alliances for the communication of government information, market-focused learning, action, and innovation
 - The Monieson Centre research on innovations and creative regional economies provides many illustrations about how this works.
 - We have also some valuable examples of what this requires from government organizations as they actively seek to partner with associative-based groups (and deal with declining funds at the same time).
 - The Social Research and Demonstration Corporation (SRDC) project in Cape Breton – where EI funds were diverted to the control of local communities in the region to hire people for community-focused projects (Community Employment Innovation Project - http://www.srdc.org/en_publication_details.asp?id=101&project=13).
 - The results demonstrated how innovative collaboration of this sort could not only provide people with jobs – but build social capital in the community, the self-respect of the employees, and a more long-term vision for local planning.
 - And it was done at the same cost as EI – simply a redirection of those funds.
 - Or the example in Southern Manitoba, where the need for additional labour led government and local religious and municipal groups to make a regional arrangement for the attraction and retention of immigrants to the region.
 - It required special negotiations among local, provincial, and federal governments but it resulted in a level of immigration that rivals Toronto.
 - Or the example of Tweed, ON – where the demands of putting on our national conference forced them to turn to their long-time rival communities in the region to make it happen.
 - The success of this collaboration eventually led to the establishment of a regional organization and local branding of “Comfort Country” that accomplishes the attraction of tourists to the region in a way that none of the communities could have done on their own.
 - It is nice to see how this model has inspired other communities in Eastern Ontario to integrate the strategy into their own plans (Walliston and Hastings county).
 - The example of the Carcross/Tagish nation in the Yukon illustrates how associative and communal-based social relations can be co-ordinated with bureaucratic ones.
 - After negotiating governance and resource control of their region the Carcross/Tagish started with their stories as a basis for establishing a policy framework for their region.
 - Using the stories, myths, and legends of their elders, they constructed a policy that would be understandable to the BC, Yukon, and federal governments with which they related.
 - This is a case where the communal norms of the local people served as the basis for the bureaucratic ones of their related governments – eventually represented in a dance that they choreographed and performed to communicate among their people.
- None of these examples involves a major increase in funding – in most cases a diversion of funds and the unleashing of local energy and good will
 - This should be very attractive under conditions of austerity
- They do require some rethinking and rejigging of the usual ways in which governments conduct their affairs, however – including a greater respect for these other norms of collaboration.



- The establishment of alliances leads to a third insight that might be of relevance for policy and programs
 - The importance of stable and long-term structures for meeting and negotiations
- For me, the best illustration is the difference between QC and many of the other provincial government approaches to rural and regional development – I am most familiar with AB.
- QC is the only province with a rural policy (as opposed to an economic development, agricultural, forestry, or community policy)
- It emerged as part of a long term transition from highly centralized and hierarchical planning to more decentralized approaches that have been characteristic of most Canadian provinces.
 - Part of the more general historical changes that occurred in the 80's and 90's with the transition from Fordist to Post-Fordist regimes (or Keynesianism to neoliberalism).
- In Quebec, one of the important markers was the *Livre blanc sur la décentralization* of the Levesque government in 1977. The legislation resulting from this white paper led to the establishment of the *Municipalités régionales de comté* (MRCs) that now serve as the primary institutions for developing and implementing regional policies. Subsequent laws (105: 1978 and 57: 1979) strengthened the fiscal capacity of municipalities and recognized political parties at the regional level.
 - It is not inconsequential that these decisions were built on the previous decentralization of health services in the *Centre local de services communautaires* (CLSC) that had been introduced in 1971. They were designed to provide general health services and included a broad mandate across policy domains – significantly community based.
 - When the rural policy discussion and legislation emerged in 2007 – it was relatively easy to use the well-established institutional structure of the MRC and related regional entities as a basis for the allocation of responsibilities, authority, resources, and practice.
- Not only were the “rules” well established by that time, but the MRCs had survived over 7 Premiers and 2 political party shifts in 31 years.
 - The MRCs had matured over the initial period of conflicts and confusion that is inevitable under conditions of reorganization.
 - Local leaders had sufficient time to learn how to use them
- In Alberta, the approach was more *laissez-faire* – where regional collaboration was encouraged, some resources were allocated to regional groups if they requested and justified it, but there was little consistent pressure for such collaboration (Regional Economic Development Alliances). The focus was clearly on economic development.
- The results have been dramatically different at the local level.
- In Quebec there are many examples of regional initiatives – tailored to local conditions and themselves providing a basis for second-order activities in small places
 - Over the 20 or so years of their operation within this new regime, local municipalities have learned how to use the regional structures to voice their concerns, debate, negotiate, collaborate, and compromise with other municipalities, and in turn, to negotiate with the provincial government on behalf of their region and village or town
 - In turn, the provincial government has discovered the value in subsidiarity – now allocating responsibility to the regional boards for a wide range of economic and social policy and programs, and (most importantly) showing confidence in the decisions and accountability of the MRCs – making the governance of the province arguably more efficient and effective
 - This system of consultation has even become more elaborated with the recent emergence of regional round tables – with more issue-focused objectives
- In Alberta the situation on the ground is very different
 - A few regions have taken initiative, formed their own corporate bodies, and moved ahead, largely on their own steam
 - Many municipalities, on the other hand, were unable to get beyond their protectionist traditions to reach agreements with their neighbours around the complex challenges they faced – either denying that conflicts of interests existed or refusing to discuss them in any but the most limited terms
 - In the end, the provincial government simply made the decisions for the municipalities, pointing to the failure of regional collaboration, lack of accountability, and the pressure of time as a justification for top-down management
- What are the lessons here for regional collaboration?

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Building Regional Collaboration

- Strong regional institutions
- Multiple venues of interaction
- Clear rules of accountability and representation
- Common language and understanding
- Patience and tolerance

"Budget for Breakage"

- >First: Bottom-up development (place-targeted policies) needs an institutional context of strong regional governance to make it work
- >Second: The inevitable conflicts of interest that emerge require multiple venues for expression, negotiation, and the compromises that are necessary for action
- >Third: Clearly identified and supported roles of accountability and representation are necessary ingredients for establishing an adequate level of trust for the system to work.
 - Compromises will not emerge if one can't count on the deals being respected: a major condition for trust.
- >Fourth: This requires the development of a common language and understanding for collaboration.
 - An initial step on this path is the recognition that different groups operate on different normative bases – and are willing to collaborate so long as those norms are respected.
- >Finally: all of this requires a spirit of patience and tolerance by people and institutions that are not favourably disposed to either of these
 - It took Quebec 20 years of stressful and sometimes acrimonious work to get to the point they are today
 - When I spoke to the Carcross/Tagish elders about their plans for the reorganization of their people in the Yukon, they reminded me that it took 7 generations to get into the mess we are today – so they felt that 7 generations was not an unreasonable time frame to think about getting out of it
- >From an institutional point of view this means >'budgeting for breakage'



- What are the lessons for policy that emerge from these examples and research?
 - These are mine – I expect you can identify many others.
- 1. Collaboration across sectors, between levels, and among places is the most strategic option for today's and tomorrow's rapidly changing conditions
 - In spite of the rather formidable challenges it entails.
- 2. Collaboration means making compromises and finding the ways to bridge gaps in understanding and motivation
 - One of the major challenges is between government's necessity to operate on principles and roles that are often at odds with the ways in which the rest of the world is organized and people are motivated (especially with respect to fairness, representation, and accountability)
 - Recognizing these differences is an important first step (as opposed to assuming that everyone should and does operate on bureaucratic principles) and finding ways to accommodate the norms that drive their action is a necessary second step
 - This inevitable means that all participants must make compromises
- 3. The willingness to compromise will only be fostered in a context of some stability
 - People will only make deals if they are sure the deals will be honoured in the future – and for that the rules need to be relatively clear and well-supported.
- 4. Although the goals may be specific – the path to them is likely to be multi-faceted
 - Our current focus on economic growth and jobs, for example, is likely to be better addressed by a broad-sector approach to regional development than one that focuses on economic activities alone.
 - The solutions are unlikely to be found in people-based, sector-based, or place-based policies alone – but in a mix of them all
 - Much of what I have focused on here is the value of place-targeted policies (as advocated by USA economist Maureen Kilkeny) since so often our governments are organized on people or sector-focused approaches.
 - The inspiration, information, and confidence necessary to operate in our contemporary global economy may be equally well developed by strong policies in education, health, recreation, environment, or culture as in economic policy.
 - This is especially important for nurturing the motivation and enthusiasm that lie at the basis of creativity and innovation – often associative in nature.
 - Inuvik has made use of this insight – directing many of its resources to social infrastructure as well as economic ones
 - Converting the old arena into a community garden, building a multi-function community centre for all its citizens, and encouraging the cultural activities of both its aboriginal and non-aboriginal populations
 - They argue that if they make Inuvik a highly attractive place for all its citizens, then these people will fight their hardest to find and create jobs in the bust period and mitigate the negative impacts of the boom period in a manner that sustains them in all spheres of their lives.
- The same principles apply to regions, provinces, and countries.

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12