Urban-Rural Interdependencies
Annotated Bibliography

Jennifer Chick de Peuter
Amy Macdonald
Dr. Marianne Sorensen
Meaghan Bernard

September, 2008
# TABLE OF CONTENTS

1.0 **URBAN-RURAL INTERDEPENDENCIES** .................................................................1
  1.1 Rural Economy Context ....................................................................................1
  1.2 The Nature of Urban-Rural Interdependencies ...................................................3
  1.3 Costs and Benefits of Urban-Rural Interdependencies .........................................10
  1.4 Benefits of Urban-Rural Alliances .....................................................................13

2.0 **CONDITIONS FACILITATING AND IMPEDING URBAN-RURAL PARTNERSHIPS** .................................................................................................................19
  2.1 New Policy Perspectives ....................................................................................19
  2.2 Governance/Leadership ...................................................................................23
  2.3 Competing Interests .........................................................................................28
  2.4 Attitudinal Factors ..........................................................................................30
  2.5 Procedural Factors ..........................................................................................31

3.0 **OTHER FACTORS EXPLAINING VARIATION IN ECONOMIC DEVELOPMENT** ..................................................................................................................33
  3.1 Urban Proximity ............................................................................................33
  3.2 Rural Economic and Socio-Economic Characteristics ..........................................34
  3.3 Economic Diversification .................................................................................38
1.0 URBAN-RURAL INTERDEPENDENCIES

1.1 Rural Economy Context


In this Statistics Canada research paper, Bollman outlines the impact of changes in technology, prices, and demography on the Canadian rural economy. The decline in employment in agriculture and primary sector industries, driven by technological innovation, requires greater rural economic diversification, including finding new goods and services to export. Falling transportation prices and particularly the cost of transporting goods provides an advantage to rural Canada, making it more attractive to manufacturing, and Bollman provides evidence of the rise of manufacturing in rural Canada over the last three decades. The cost of transporting information has also fallen since the 1960s. Whether this gives rural Canada an advantage is unclear; rural Canadians can send information at a lower cost than in the past, but so too can urban Canadians. Bollman examines population trends and suggests that because Canada's Aboriginal population is growing at a faster rate than the non-Aboriginal population, it represents a driver of rural economic growth, though the socio-economic gap between Aboriginal and non-Aboriginal Canadians continues to grow. Agglomeration economies may present opportunities for rural revitalization, though whether rural areas can find ways to link to these economies (e.g. by producing specialty goods and services marketable to metro niche markets) will determine their impact. Finally, rural areas are increasingly attracting young families and early retirees, and some are attracting international immigrants, which may offer additional opportunities for rural economic growth.


The agricultural industry continues to lose important population bases every year and experts are predicting that this trend will continue over the next decade. Because of this trend, a new vision for the future of rural areas is emerging that focuses on the diversification of both natural and cultural assets. In particular,
the author emphasizes the importance of clusters, the exploitation of local amenities, and the integration of ICT (Information and Communication Technology) into the local economy as a means to both diversify and ensure stability within rural regions in all OECD countries.


By defining rural regions as any areas outside a U.S. metropolitan area, Porter et al. examine these regions as unique units of analysis. From this perspective, the authors discuss rural regions’ economies in terms of performance, composition, evolution, and environment. It is stated that proximity to an urban centre influences successful rural development but that existing policies fail to approach rural problems in a regional context, and as such fail to address the relationships that can exist between rural and metropolitan areas. In conclusion, an overview of the literature recommends different strategies for rural economic development, including cluster development, linkages to metropolitan regions, value-added agriculture, upgrading the business environment, fostering collaboration, and using community-based planning.


Reimer presents findings from the Canadian Rural Revitalization Foundation’s “New Rural Economy 2” (NRE2) project. This undertaking sought to identify the impact of the new rural economy on rural economic development and, through consultations with stakeholders in 32 Canadian rural communities, identify community capacity requirements for economic development and possible capacity-building strategies. In the new rural economy, natural resource extraction remains important, but is no longer capable of sustaining rural livelihoods. The repositioning of rural Canada in the new economy requires investments in communication technologies and infrastructure, cultivation of social capital (networks and norms that support location action, such as participation in voluntary associations, which may diminish with urban proximity), and institutional innovation.
Rural policy in America is outdated, unfocussed, and ineffective, and is no longer synonymous with agriculture. The distribution of government subsidies prevents further development and diversification of the rural economy and does not increase sustainability. According to Stauber, public policy must ensure the survival of the middle class, reduce the concentration of rural poverty, and sustain and improve the natural environment. If it does not, the author predicts that rural communities will turn into both rural ghettos and rural playgrounds—without a middle class. Four classifications for distinguishing rural communities are provided in this work: urban periphery, sparsely populated, high amenity, and high poverty. The author concludes by stating that public action is necessary to prevent continued decline and presents five suggestions for why investment should occur in rural America: it will protect and restore the environment; it can produce high quality food and fibre; it can foster a laboratory of social innovation; it will produce healthy, well-educated citizens; and it will help to maintain population distribution.

1.2 The Nature of Urban-Rural Interdependencies


This literature review, funded by the UK Department for International Development, explores the various models that have informed territorial development from the 1950s to the 1980s. The models, including growth pole and urban diffusion models, are evaluated for their assumptions, weaknesses, and implications for regional development policy. More recent theoretical models are shown to place a greater emphasis on urban-rural interdependencies and to focus on the peri-urban interface. Case studies are presented to illustrate the changing nature of urban-rural interdependencies.
This paper summarizes the proceedings of Developing the Regional Imagination: A National Workshop on Rural-Urban Interaction, held in Toronto, Ontario. The first session of the workshop set the context for thinking about rural-urban interaction, with Ray Bollman and Kim Wingrove summarizing the current drivers of rural economic growth. In the second session, addressing 'layers of regional interaction,' Mark Partridge identified three types of rural areas and argued that rural economic development requires capitalizing on the strategic advantages of individual rural areas as well as regional governance structures. Rose Olfert also argued for a regional perspective, identifying the influence of urban proximity and commuting patterns on rural economic development. The third session focused on governance in the context of rural-urban interaction. In this session, Irene Sullivan addressed the importance of building human, community, and regional capacity and identified community economic development projects as catalysts for building regional relationships. David Freshwater acknowledged a lack of policy addressing urban-fringe issues but cautioned that regional structures inevitably merge communities with varying levels of capacity. Harold Flaming provided an overview of The Ontario Rural Council (an advocacy group that facilitates dialogue on rural issues) and the role of the Council in regional economic development. Finally, Bill Reimer presented a case for policy that focuses on rural-urban interdependencies, and discussed the current challenges to such policy. In the closing address, Ken Cameron identified barriers to regional development, including an urban bias in senior government, a lack of awareness of interdependencies, and a lack of holistic thinking and planning. He also recommended continuing to foster the engagement process.


Douglass provides an overview of development theory and planning approaches from the 1950s to the present. He argues that the dominant approaches (core-periphery and spatial polarization models) have an urban and a growth-pole bias and fail to account for the interdependencies of rural and urban development. He proposes a regional network model as an alternative. Unlike growth-pole perspectives, which posit a single (urban) centre as the driver of rural development, a regional network perspective understands rural development as a function of horizontal, complementary, and reciprocal relations among
communities and acknowledges the unique contributions of diverse communities to development within a region. Douglass illustrates the model by examining case studies in Indonesia, and concludes with an agenda for policy research.


Infrastructure Canada presented this review of the literature on linkages between communities at a dialogue, hosted by Infrastructure Canada with assistance of CPRN, entitled *Building, Connecting and Sharing Knowledge: A Dialogue on Linkages between Communities* on March 3, 2005 in Ottawa. The review summarizes the literature on social, economic, environmental, and cultural linkages between communities (ranging from urban metropolises to remote rural communities). It places an emphasis on perspectives that go beyond the traditional urban-rural dichotomy, including urban systems theory; suburbanization and edge cities; city regions; metropolitanization and counter-urbanization; location theory; clustering and trade flows; telecommunications and globalization; demography, migration, and immigration; identities and cultural growth poles; and environmental linkages. The literature is multi-disciplinary (though dominated by economic and geographic research), with no prevailing framework for understanding linkages among communities. Additional research is necessary to identify such linkages and to assess their impacts.


This dissertation explores the concept of mutual dependencies between urban and rural regions with a particular emphasis on the use of water resources in New York City and the surrounding areas. Kane’s primary research questions are: “Is the watershed region dependent on New York City as a consumer?” and “How can these dependencies be expanded without degrading the water supply?” After outlining the history of New York City’s relationship with its West-of-Hudson watershed, the author provides a brief analysis regarding the different concepts of a region. She defines an economic region as an area with “greater internal trade linkages than external trade linkages” (p. 47) following common definitions of the term in the majority of existing literature. This is followed by an in-depth explanation of input-output analysis and the empirical economic methods used to calculate the degree of dependency within the region. In conclusion, Kane determines that whereas New York City is heavily dependent upon the Catskill-Delaware Watershed, the watershed region is only marginally dependent upon the city. This is surprising, as it is commonly believed that this
region would be an important consumer base for the city. It also becomes evident that the watershed region does not function as a true economic region on its own, thus reinforcing the idea that regions cannot be defined purely geographically.

Kubisch, Anne C., Janet Topolsky, Jason Gray, Peter Pennekamp, and Mario Gutierrez. 2008. Our Shared Fate: Bridging the rural-urban divide creates new opportunities for prosperity and equity. June. Available online from: http://www.aspeninstitute.org/atf/cf/%7Bdeb6f227-659b-4ec8-8f84-8df23ca704f5%7D/FINAL%20DRAFT%20RURAL-URBAN%20REPORT%206-19-08.PDF

This paper arose from a 2005 meeting and was elaborated upon in several forums until it was written in June 2008. Kubisch argues that American communities are traditionally perceived as urban, rural, or suburban with specific economic, social, and environmental roles that are becoming increasingly obsolete. The general population’s ideals for American society (resources, traditional borders, economy, etc.) have stifled progress in policy-making, resulting in outdated frameworks, and have largely ignored the growing power base in suburban communities. Three specific examples are given to illustrate the three areas that most often link urban and rural areas: people, place, and prosperity. The authors also present five suggestions for leaders in the field to act upon: redefine rural, urban, and suburban into meaningful regions; develop new champions and non-traditional leadership; support, learn from, and disseminate lessons from emerging urban-rural partnerships; build the urban-rural advocacy agenda around upcoming policy opportunities; and work with practitioners to test and disseminate the power of the urban-rural framework. Finally, an appendix is included that compares outdated assumptions and current realities in the following areas: work, poverty and mobility, residence, demographics, governance, resources, and health and education.


This paper was presented at the New Power of Regions: A Policy Focus for Rural America conference hosted by the Center for the Study of Rural America on May 9-10, 2002 in Kansas City. In it, Moseley summarizes shifts in the American rural economy, identifies implications of the new rural economy for U.S. rural policy, proposes a regional approach to rural economic development, and identifies some of the challenges rural policy might face in developing such a regional approach. Recent shifts in rural economic structure are attributed to the technological developments revolutionizing farming, the growth of markets for
new agricultural products (such as special-attribute crops), a shift from bulk commodities to products in domestic and export markets, advances in communications and transportation resulting in broader markets for rural goods, and rural out-migration. These shifts require U.S. rural policy to better facilitate collaboration, communication, coordination, and cooperation; implement mechanisms to capitalize on the diversity and unique strengths of rural communities; adopt a regional approach as a means of facilitating critical mass for rural economic development; and promote the development of entrepreneurship and business skills in rural communities. Significant challenges to adopting a regional approach in rural policy remain, including difficulty generating the high level of cooperation among levels of government required by such an approach; uncertainty about how the public sector can best complement new economic activities in rural areas; finding ways in which creative partnerships between private sector firms and non-profit or public entities can be facilitated; and the need for more effective mechanisms for accessing private sector capital to support rural development.


In this policy brief, Olfert and Partridge identify the interdependencies of rural and urban areas in the context of urban sprawl. The authors argue that both rural and urban areas have a vested interest in recognizing these interdependencies and developing effective mechanisms, including cooperative governance structures and strategic alliances, to address such urban sprawl issues as the cost of new infrastructure, environmental degradation, congestion, laissez-faire development, zoning, transportation, and environmental protection. For example, rural areas have a vested interest in participating in the regulation of development, and because they lack critical mass to attract and sustain economic development, rural areas have a vested interest in urban economic viability. The authors conclude that the formation of rural-urban partnerships requires a new governance structure that will allow smaller communities to solve their unique issues at the local level, while enabling cooperation on issues with regional implications.
This paper was presented on March 3, 2005 in Ottawa at a dialogue organized by Infrastructure Canada with Canadian Policy Research Networks (CPRN) entitled Building, Connecting and Sharing Knowledge: A Dialogue on Linkages between Communities. Reimer identifies recent shifts in rural economy, including the emergence of new rural functions (e.g. environmental stewardship and leisure) and an increase in the degree of institution- and environment-sharing between rural and urban areas. He argues that these shifts necessitate strategic planning and development perspectives that facilitate urban-rural alliances and enable rural and urban actors to capitalize on trade linkages (including flows of resources, services, organizations, people, and information). The future of rural development, according to Reimer, rests in the ability of rural areas to reorganize in light of the new economy, build social and economic infrastructure, seek urban alliances in strategic planning, and develop forums to facilitate the inclusion of stakeholders in decision-making.

The primary aim of this project was to discover and understand the key economic linkages between city-regions and rural areas in England. This document is not the full report, but the final report summary. As such, it is broken down into 45 points under several headings: the study’s scope and aims, the study area’s economic ‘hot spots,’ the sustainability of economic success, why are the ‘nodes’ good, constraints on the future development of the key nodes, and implications. The authors found that even though there were very strong links between regions in terms of transportation and geography, the degree of economic interaction was far lower.

Tacoli provides a comprehensive review of the history of rural economic development theory and policy in developing nations, identifies growing interest
among policy-makers and researchers in rural-urban interdependencies, and articulates four types of rural-urban linkages: flows of people (migration, commuting), flows of goods (rural-urban market interactions), flows of wastes, and sectoral interactions (e.g. urban farming and rural manufacturing). Tacoli argues that because rural and urban communities are linked by these flows, rural areas are increasingly influenced by transformations at the macro level (e.g. third world economic reform), and that these influences must be taken into account in rural economic development perspectives. Notably, despite its articulation in a developing nation context, Tacoli’s rural-urban linkage typology is often cited in recent literature as a framework for understanding how rural and urban communities are interdependent.


Tacoli reviews and critiques the dominant economic development perspectives, proposes an approach that privileges the interdependencies of rural and urban areas, and identifies policy implications. Tacoli is critical of existing development perspectives, and of the ‘urban functions in rural development’ approaches in particular for attributing rural economic stagnation to the absence of a central city (which would stimulate rural economic development). Tacoli argues that other constraints on rural development, such as ecological capacity, land-owning structures, controls on crop prices, and access to markets, need to be considered as explanations for rural poverty. This broader understanding would allow for recognition of urban-rural interactions in specific regional contexts. Development theory, in short, must be able to account for urban-rural flows and linkages and understand how they are determined by global, national, and local economic, social, and cultural transformations. Development theory must also take into account the great diversity among and specializations of smaller towns and their regions. Implications for policy include a need for decentralized decision-making, investment and resource-raising at the local level, and articulation of local needs and priorities in rural economic development.


This policy discussion paper explores rural-urban linkages in the context of poverty alleviation in developing nations. While development theory has traditionally treated rural and urban development as separate issues, there is growing awareness of rural-urban interdependencies (e.g. flows of people,
finance, production inputs, consumer goods, waste materials, technology, information, and decision-making). There is also a growing awareness of the need for development strategies and policies that strengthen the capacities of regional and local governments and encourage participatory modes of development that enable collaboration among all stakeholders. Cultivating the synergies between rural and urban economic development requires replacing sectoral and top-down approaches to planning (which prevent coordination, collaboration, and integration of development agendas among sectors) with approaches that facilitate economic development coordination among governments, civil society, and the private sector. Fostering these synergies also requires significant levels of authority and capacity at the local level, mechanisms for the inclusion of all stakeholders, and effective conflict resolution mechanisms.


1.3 Costs and Benefits of Urban-Rural Interdependencies


This document is a collection of summaries from a two-day conference that was held to examine different urban-rural linkages. Sessions included: Setting the Context: Developing the Regional Imagination, Regional Interaction: Understanding the Layers, and Governance: What’s Working and What’s Not in Managing Rural-Urban Interaction on the Ground. The conference focused on the desire to develop an urban-rural project and concluded that the majority of participants were interested in conducting such a project within the Atlantic provinces, although it was noted that the terms “region,” “regionalism,” and “urban-rural interaction” are used quite interchangeably and could benefit from clarification.


In response to a gap in the literature on urban-rural partnerships, the Countryside Agency and the Local Government Association commissioned research exploring urban-rural initiatives in the UK. A survey was conducted to map the scale and scope of existing urban-rural initiatives, and case studies of 14 initiatives were
carried out. The survey revealed that although policy is just now beginning to acknowledge and address urban-rural interdependencies, local authorities have been implementing joint initiatives for decades. The case studies revealed that most initiatives involve multiple partners, originate at the grass-roots level, and are funded by local authorities, Regional Development Agencies, and the private sector. Examples of issues addressed through urban-rural partnerships include transportation, community and environmental regeneration, walking/cycling trail projects, food initiatives, land-use planning, and environmental protection. Partnerships are often instigated to take advantage of funding opportunities (e.g. where partnerships are a requirement of funding agencies), in recognition of the benefits of collaborating rather than competing for funding or the cost-effectiveness of joint ventures, or to achieve ‘strength in numbers’ (e.g. a strong voice in lobbying efforts). Benefits of partnerships include increased ability to address regional issues, reduced urban-rural polarization, and greater inclusion of multiple stakeholders with a broad range of interests. Challenges include difficulty collaborating across different types of organizations, overcoming political and cultural differences, building trust, sustaining partnership momentum over time, budgetary and human resource deficits, and a lack of policy framework at the regional level. Recommendations for enhancing urban-rural partnerships include increasing the participation of local governments (e.g. town councils), developing national policies informed by a better understanding of urban-rural interdependencies and of how to facilitate urban-rural partnerships, and funding streams allowing for more long-term projects.


This paper was prepared as a background document for the *Blueprint for American Prosperity*, a three-year initiative launched by the Metropolitan Policy Program at Brookings that is meant to provide recommendations for federal policy reform that would better enable American cities to contribute to national prosperity. In order to create sound policy recommendations on urban development, the initiative recognized that it would be essential to understand the nature of urban-rural interdependencies. To this end, Dabson reviews economic development perspectives for their contribution to our understanding of such interdependencies. Tacoli’s (1998) typology of rural-urban interactions (flows of people, goods, and wastes, and sectoral interactions) is cited as contributing to current theory and policy perspectives, as is the literature on the role of urban proximity for rural development. According to the literature, urban proximity benefits rural development through the provision of diverse employment opportunities, specialized services, social and cultural opportunities,
end markets for rural production, and resources for public and private investment. In turn, urban centres benefit from the rural provision of food, energy, stewardship, waste management, congestion relief, uniquely rural experiences, specialty agriculture, greater housing options, outsourcing of services, and alleviation of urban labour shortages. In light of these interdependencies, it is argued that strategic rural-urban alliances can strengthen both rural and urban economic development, and can help mediate competing interests, practices, and perceptions, particularly at the peri-urban interface. Strengthening rural-urban alliances will require new rural policies as well as shifts in attitude (from competitive to collaborative).


This paper examines the influence of urban growth on metro-adjacent rural development. Costs or ‘backwash’ effects of urban growth include diminishing rural landscapes, out-migration (for jobs and amenities), and loss of employment opportunities as firms locate in urban areas to take advantage of agglomeration benefits. The degree of backwash effects will depend on the characteristics of the urban and rural areas, the nature of their linkages, governance structures, ease of transportation, and communication access. Urban proximity also influences the backwash effect; with greater distance, urban growth results in migration rather than commuting. Benefits of urban growth for proximate rural areas include the relocation of firms taking advantage of lower land and labour costs or less expensive rural raw materials, expansion of markets for rural goods and services (such as recreation), and counter-urbanization (urbanities relocating to nearby rural areas for relief from congestion and high costs). The authors argue that rural-urban interdependencies require recognition of mutual rural-urban interest in development, and suggest that a regional perspective in policy and development approaches, along with new governance structures that support and facilitate rural-urban interdependencies, is required.


This working paper examines why regionalism is becoming more popular in both the scholarly community and in practice. The authors pose a question regarding whether economic growth and social equity are actually problems or issues that should be discussed on a regional scale. An empirical model is used to discover
the impacts of these issues on regions. It was determined that the region is an important unit for economic revitalization; however, its impact on social equity is less clear. The use of regions in a planning and development context is highly promoted throughout the paper, but the authors remain uncertain as to whether the beneficial nature of this use of regions is due to social networking effects, new forms of clustering, or the reconfiguration of political space.


This paper, prepared for the Ontario Office of the Premier’s Panel on the Role of Government, examines the importance of Ontario’s cities and city-regions to the provincial economy and the economic, social, and fiscal challenges facing cities today. The authors also provide recommendations on the role of the provincial government in responding to these challenges. The paper emphasizes the role of city-regions in knowledge generation and sharing as well as the importance of this function in the knowledge economy; identifies such urban challenges as economic competitiveness, social polarization, inadequate fiscal resources, transportation gridlock, and urban sprawl; and suggests the need for a region-wide governance structure to effectively address regional issues. Various types of regions and governance boundaries are explored.

On the costs and benefits of urban-rural interdependencies see also Parkinson (2004) and Core Cities (2003).

1.4 Benefits of Urban-Rural Alliances


Using the results of Canada West Foundation’s Building the New West project (a multi-year research and public consultation project on the strategic positioning of Western Canadian rural heartland in the global economy), the authors recommend various employment, community-building, governance, economic development, and environmental strategies for restructuring rural development policies and strategies in light of current rural challenges (e.g. declining employment and infrastructure deficiencies). Employment strategies focus on rural entrepreneurship, community-strengthening strategies focus on building
human capital through education and enhancing rural attractiveness to youth and immigrants, and governance strategies emphasize empowering rural communities with negotiating authority through new regional planning authorities. Regional economic development is recommended as a means of identifying and capitalizing on areas of synergy and for achieving economies of scale, and it is also recommended that the environment be used as a source of economic activity (e.g. grants for environmental stewardship). The authors conclude that new rural development policies and strategies must empower local communities and that governments have a role in helping build local community capacity.


As part of Canada West Foundation’s *Building the New West* project, this paper examines the rapid growth of Western Canadian rural-metro adjacent (RMA) regions and implications for policy. Compared to non-adjacent rural areas, populations in RMA regions are growing and becoming younger and more diverse in terms of income and employment. Urban outgrowth in RMA regions has brought new development, wealth, commercial activity, and upgraded infrastructure, but this is often perceived as occurring at the expense of traditional rural lifestyles. New policies are needed that are capable of addressing land conversion issues (e.g. loss of farmland), environmental degradation, and the challenges associated with service delivery and infrastructure financing in RMA areas, but that are also able to balance the interests and needs of ex-urbanites (e.g. higher service and infrastructure expectations) with those of long-term RMA residents (e.g. preservation of rural lifestyles). The authors suggest that a regional consciousness, including regional management and governance, may help balance the competing interests of the diverse RMA population.


Rural and urban areas in southern Greece are becoming more and more interdependent; rural economic structures are growing progressively more similar to urban economic structures, and urban policy is increasingly affecting rural economic development. Urban agglomeration economies draw economic activity and population away from rural communities, but the modernization of agriculture, the development of tourism, and the expansion of services and public administration in rural areas have concurrently increased the rural-urban linkages and enabled many rural communities to remain economically viable. The authors use a three-area interregional Social Accounting Matrix (an econometric model)
to identify rural-urban economic linkages and illustrate that rural towns serve as economic poles, diffusing economic activity into adjacent rural areas and exploiting economies of scale. The authors conclude that rural economic development is a more effective policy tool than farm income supports.


This report from the Working Group of Government Departments in the UK reiterates the premise that rural economic strength and diversity is in part a function of urban proximity. Cities and proximate rural areas are argued to share mutually reinforcing relationships and to evolve in their vibrancy through commuting, trading, and leisure patterns. With sufficient proximity, urban centres provide rural areas with critical mass; a vibrant environment for knowledge creation and transfer; strategic business and financial institutions; highly paid jobs; concentrations of leisure, sport, and culture; transportation hubs; and national and international profiles. Rural regions in turn provide space for major economic and infrastructure projects, niche retail experiences, greater housing options, a wider range of business sites and premises, a larger workforce and wide skills base, and countryside leisure. Successful urban-rural alliances require robust innovation in all areas of the economy, strong human capital, efficient transport connections to key markets, and the capacity to design and deliver long-term development strategies.


This study evaluated the evolution, structure, and successes and challenges of various regional initiatives in the western U.S. for the purpose of promoting a regional perspective. Regionalism is understood as a means of integrating social, economic, and environmental concerns (and diverse interests and viewpoints) that transcend political and jurisdictional boundaries; as a means of capitalizing on new information and transportation technologies; and as a means of increasing efficiencies through economies of scale. Regional initiatives were found to vary in development and function, with some initiated at the local level in response to the failure on the part of existing jurisdictions and institutions to respond effectively to existing challenges, while other initiatives were begun and coordinated by government or public-private partnerships. Functions included knowledge building (e.g. conducting research and education), community building (e.g. stimulating dialogue, mutual understanding, and a shared sense of place within a region), resource sharing, advisory functions (e.g. providing input
and advice in problem-solving), advocacy (to promote a distinctive agenda within a region) and governance (to make, administer, and enforce policy within a region). Successful collaborations were characterized by effective communication; dedicated participants; local, state, and federal support; and access to resources. Barriers to regional collaboration included lack of resources (e.g. knowledge, time, funding, and information), reluctance of agencies to engage in multijurisdictional processes, hierarchical decision-making, uncooperative or uninterested government agencies, distrust among stakeholders, and ambiguous authority structures. Capacity for regional collaboration may be enhanced through education (e.g. learning how to design regional initiatives and manage regional organizations, and about regional models of governance) and information (e.g. providing evidence of the benefits of collaboration), as well as through greater awareness among policy makers of regionalism’s potential to serve as an alternative form of governance. Future research should generate a portfolio of strategies that would support regional initiatives and foster regional thinking and action within existing institutional arrangements.


Literature in economics, governance, regional science, geography, and urban studies was consulted to provide the Core Cities Working Group in the UK with a review of rural-urban relationships and the new role of cities. Because boundaries of ‘rural’ and ‘urban’ are blurred, the literature tends to take a regional focus. The economic relationship between urban centres and surrounding rural regions is not well documented, but there is evidence that the economic performance of the central city in a region influences that of the surrounding areas (where the urban agglomeration economy provides efficiencies in infrastructure and lower production costs). There is recognition in several European city-regions of the economic advantages of critical mass and efforts to increase collaboration. Benefits of greater collaboration include increased competitiveness in the global economy, greater ability to address the negative effects of uncontrolled development, and increased capacity to provide fiscal and other forms of relief to help revitalize central cities, which in turn benefits surrounding regions. Challenges to city-region collaboration include local government fragmentation (and fragmented decision-making structures) and opposition (coming, for instance, from a fear of losing local power or influence), economic competition among adjacent local authorities, environmental concerns stemming from residential or job decentralization, concerns about the exploitation
of the central city by suburban service users, failures to market the sub-region effectively, fear that smaller municipalities will be overwhelmed by the larger city, and concerns that the central city is too small to be powerful in European and global markets. Regional collaboration may be enhanced by creating formal hierarchical structures, although informal structures may be more effective when smaller authorities are reluctant to relinquish power, with relationships becoming more formalized as trust is established. The trust required for regional collaboration may also be facilitated by creating clear regional agendas and shared policy goals, and by creating strong political leadership, including a key personality to drive a unifying regional agenda.


The 2006 REDA Annual Review (Building Powerful Partnerships) articulates the benefits of regional partnerships, including economies of scale, economic diversification, the capacity to initiate long-term economic development projects, and greater ability to address issues transcending jurisdictional boundaries. It identifies attributes of successful regional partnerships, including the ability to overcome attitudes of competitiveness and build trust, the emergence of local ‘champions,’ decision-making by consensus, setting annual goals with measurable outcomes, developing and maintaining regional economic profiles, basing investment opportunities on the region’s competitive advantages and key industries, building economic development capacity through training and partnerships, and communicating effectively with stakeholders.


In response to rural economic decline in Saskatchewan, the authors propose the development of Functional Economic Areas (FEAs), defined by trading and labour market areas, to enhance service delivery efficiency, harness the benefits of economies of scale, and facilitate regional planning. FEAs would capitalize on the interdependencies of rural and urban economies, wherein larger communities provide diverse employment opportunities, trade and service outlets, and educational and medical facilities, and rural areas in turn provide labour and demand for the goods and services produced in or distributed from urban centres. The area-wide authority enabled by FEAs would overcome challenges
posed by the existing fragmentation of municipal governance and enable local municipalities to generate resources required for economic development.


In this study, funded by Agriculture and Agrifood Canada; Canadian Rural Partnership; and Rural Development Division of Alberta Agriculture, Food and Rural Development, Stabler and Olfert use 1996 census data to develop Functional Economic Areas (FEAs) for the three prairie provinces. Incorporating journey-to-work data (Labour Market Areas, or LMAs) and retail trade areas, the authors develop 10 FEAs in Alberta. Each FEA is meant to be self-contained with regard to employment and service delivery. This self-sustaining character is suggested in the authors’ assertion that employment within each FEA generates benefits that mainly flow to its own residents, and that a significant portion of the income earned by workers in an FEA is spent within that FEA itself. The authors conclude that FEAs defined in this study provide the most cohesive regionalization for the provinces; each FEA contains a central city or large central rural community providing employment as well as public and private trade and services, while the surrounding communities provide labour and a market for the centre’s goods and services. FEAs provide a logical framework for future planning of public and private economic development initiatives.

2.0 CONDITIONS FACILITATING AND IMPEding URBAN-RURAL PARTNERSHIPS

2.1 New Policy Perspectives


This report provides a background for the Rural Communities Foundation of Nova Scotia on the main issues facing rural communities in that province, presented in the form of a review of the literature. It briefly addresses urban-rural interaction and recommends building urban-rural and regional synergy, including greater awareness of the importance of rural areas for urban living and how structural and policy changes impact rural communities.


The authors provide a critical review of development policy in a developing nations context. They build a case for a Rural-Urban Partnership Development Paradigm as an alternative to traditional development approaches, which have focused on developing capital and secondary cities, based on the assumption that urban economic growth effects would ‘trickle down’ to rural areas. The authors argue that this approach has not effectively reduced rural poverty, and suggest that the Rural-Urban Partnership Development Paradigm would create mutually beneficial network relations between rural and urban areas. Requirements for success include the political commitment to balance rural and urban needs, local participation and commitment, education and training in rural areas, industrial extension services (e.g. to advise villagers on credit availability, links with urban manufacturers, implications of appropriate productive processes etc.), and promotion of agro-based industries.
In response to the de-population of rural Newfoundland and Labrador, the Newfoundland and Labrador Federation of Labour commissioned a review of rural and regional development policies and programs. Four types of rural and regional public policy are identified: traditional approaches (which use economic instruments such as subsidies to agriculture), innovation and technology approaches (which promote innovation as a driver of economic development), community economic development (CED) approaches (which are driven by the work of non-profit community organizations facilitated by public policies and initiatives such as Community Futures Program), and community development and capacity-building approaches (which are multi-sectoral, inclusive, and holistic approaches focusing on economic, social, and environmental development issues). Key themes of new governance models in rural and regional development policies and programs include partnerships among governments, the private sector, and voluntary organizations; greater devolution to the regional and local level; new roles for the state as “enabler” and “convenor”; sharing of power and authority within the community itself; and new ways of delivering public services in rural and regional areas, including ‘one-stop’ shops, rural transaction centres and multi-service centres, pooling resources among municipalities, and other measures designed to enhance the coordination of service delivery to meet local needs. Some of the more innovative policies and policy instruments are reviewed, and the author concludes that development policies best suited to today’s rural and regional economy are those that are holistic, community- and place-based, and provide a full range of policy instruments designed to develop local assets; facilitate partnership-building among government, business, labour, and educational institutions; and encourage effective governance.


This paper, prepared for the *National Public Policy Education Conference* (San Antonio, Texas), articulates the need for public policy at the regional level. Regional policy makes it possible to address issues such as land use and zoning that transcend local boundaries, creates economies of scale, and enhances a sense of regional identity, which is required for localities to feel committed to and responsible for regional affairs. Regional policy can also enhance awareness
among localities of their vested interest in regional participation, and can create opportunities for them to ensure that their interests are sufficiently tied in and effectively addressed in the regional context. One of the challenges to regional success, however, is a lack of effective political leadership; regions typically transcend political boundaries, and as a result, no local legislator has a credible base for becoming a ‘champion’ of a regional perspective.


Drawing on 2001 Canadian Census data, Lightbody and Makarenko use the Edmonton and Calgary Census Metropolitan Areas (CMAs) as case studies to illustrate the social and economic characteristics of Canadian suburbs. Three hypotheses are presented in the article: city regions will differ greatly in terms of income, ethnicity, etc.; local governments “reward and reinforce” social and economic differences within the CMA (6); and the largest member of the CMA will bear the majority of the burden of providing for the entire population. The authors confirm all three hypotheses in the course of their study. In conclusion, the authors state that there is no effective mechanism in place that would or could implement collective public policy proposals.


This report reviews federal and provincial support for Community Economic Development (CED), and argues that current CED strategies do not effectively enable rural communities to participate in the New Economy (typified by the growing importance of information and knowledge). Rural participation in the New Economy requires significant government assistance and investment, and it is recommended that CED policy and programs place greater emphasis on innovation and investment in knowledge-based sectors in rural communities, facilitate direct investment in public infrastructure and expertise, and enhance public support for private firms.
Participants in this conference concluded that the agricultural industry is no longer sufficient to sustain the rural economy. Rather, an integrated place-based approach to policy making will allow rural communities to contribute to overall economic growth in a region. Participants in the conference deduced that policy should focus on investing in human capital, infrastructure, and social capital. Many countries that are already using this approach are focusing on “exploiting underused assets, releasing potential, fostering entrepreneurship, and mobilizing private investment” (12). In conclusion, the article stresses the importance of addressing these issues through a rural lens so that the interests of the rural communities are not neglected.


Webb articulates the challenges to rural economic development in the new economy (characterized by globalization, mechanization of agriculture and resource extraction, improved transportation systems, and improved access to education and information), presents an historical overview of Canadian federal and provincial development policies and approaches to rural economic development, and, with case study evidence, argues that there is a need for new directions, or a ‘third wave,’ in rural economic development policy. The ‘first wave’ of policy focused on recruiting industry to rural areas; the ‘second wave’ focused on the retention and expansion of local businesses; and the current ‘third wave’ focuses on collaboration among rural economic development organizations, government, and the private sector to achieve the scale, flexibility, leveraging of public resources, and local accountability that is currently required for rural economic development. Partnerships enable the pooling of resources and knowledge, the coordination of economic development activities, and stronger influence on government policy. Examples of public-private partnerships include business incubators, technology centres, and the development of business retention and attraction strategies. One of the challenges to partnerships, however, is ensuring that private sector interests (e.g. lower production costs and increased revenues) do not compromise the objectives of the public sector (e.g. social development, environmental protection, and quality job opportunities).

Whitener and Parker identify the changing nature of U.S. rural economic structures (including growth of non-farm employment and manufacturing) and suggest the need for new rural policies that are regional in scope. American rural policy has traditionally been commodity-based, but the new rural economy requires policy that can address a broader range of issues and offer innovative solutions to generate diverse employment and income opportunities, develop human capital, and expand critical infrastructure. New rural policy would facilitate partnerships between clusters of small rural firms and local educational institutions in order to provide training and technical assistance in the adoption of innovative production techniques, support further education programs for rural entrepreneurs, facilitate capitalization upon new uses of natural resources (including water filtration, carbon sequestration, and development of non-traditional energy sources such as methane utilization), help rural areas capitalize on their natural amenities as sources of economic development, enhance rural human capital through greater educational attainment of local populations, invest in infrastructure to facilitate expansion of existing businesses and development of new businesses, and develop regional policies and cooperative regional efforts to address issues of broader geographical significance.


### 2.2 Governance / Leadership


Anesi explores regional leadership through a case study of the San Juan Forum. The Forum, established in 1991, provides economic development support and leadership to the Four Corners, a regional alliance of the geographical corners of Colorado, New Mexico, Utah, and Arizona. Specifically, the Forum facilitates the regional exchange of information by providing an economic database of the region and a clearinghouse of expertise available to and within the region, facilitates interagency communication through a standing forum, promotes collective efficiency in the use and development of regional resources,
encourages unity by establishing a regional identity, and advocates on regional issues at the federal level.


Deaton considers the papers presented at the New Power of Regions conference (Kansas City) and identifies as a key theme the articulation of factors contributing to regional economic development. These factors include effective public and private leadership; strong networking and cooperation; flexibility of public policies and of private investment strategies; collaboration among levels of government; investment in research, technology, and infrastructure as well as creating new institutions to provide venture capital; public-private cooperation; collaboration with post-secondary institutions to develop entrepreneurship, finance and business skills at the local level; the ability to build on social cohesion, leadership, and economic networks; and the ability to recognize and maximize the cumulative effect of the various factors that together enhance the economic efficiency of the region.


The Local Government Association (LGA), formed in 1997, is a lobbying organization comprised of English and Welsh local authorities that seeks to promote the interests and enhance the performance of local government. In this paper, LGA argues that local legislative boundaries, policy-making, and planning do not reflect travel to work areas, retail catchment areas, and supply chain movements; regional or city-region approaches, on the other hand, can better address issues of regional connectivity and productivity. The success of regions or city-regions requires replacing attitudes of competitiveness with attitudes of cooperation; taking a collaborate approach to planning and development that builds on the economic cohesiveness of the region; cultivating local leadership and strong partnerships between authorities and their social, economic, and environmental partners at the local and sub-regional level to meet local needs; strong regional leadership; and access to adequate resources. Effective governance in a regional context is not hierarchical, but rather is premised on the recognition that city-regions are networks of interconnected places, each with a contribution to make, and each requiring powers and resources to maximize their connectivity and productivity.
This article describes the process of regional collaboration and the conditions necessary for successful regional collaboration with emphasis on the importance of effective leadership. Regional collaborations often emerge in response to a particular threat or crisis requiring a joint response of individuals working across jurisdictional, sectoral, or disciplinary boundaries. Regional collaboration may be ‘top-down’ (e.g. mandated by policy-makers when existing institutions lack the legitimacy or credibility required to convene multiple stakeholders with joint interests) or ‘bottom-up’ (e.g. stakeholders organizing themselves, with or without government participation, when policy-makers are slow). Effective leadership is one of the main conditions for successful regional collaboration and is often provided by ‘regional stewards’ who initiate collaboration, bridge differences, and nourish networks of relationships. Leadership is considered effective when it facilitates the sharing of power; enables the mobilization of people, ideas, and resources; provides integrity and credibility; and tolerates complexity, uncertainty, and change. Further, effective leadership cultivates dialogue, builds relationships by respecting diversity (of ideas and viewpoints), and builds trust (thereby fostering communication, understanding, and agreement). Effective regional leaders tend to be those who are committed to the well-being of the area, have an entrepreneurial spirit, and are effective integrators and coalition builders. They may be local elected or appointed officials, professors, local business executives, non-profit organization staff or board members, or community activists.

Community-based collaborations (CBCs) provide an alternative to conventional public participation and public dispute resolution processes. As multi-party processes, CBCs enable widespread participation of various stakeholders with divergent viewpoints and interests, and are designed to address issues pertaining to a particular community or region by building knowledge, fostering a sense of community, facilitating the sharing of resources, cultivating input and advice, and building agreement toward informed, creative, and adaptive solutions. In this paper, McKinney and Field present the findings from their study of nearly 50 CBCs addressing federal land use and resources in the Western U.S. Their findings suggest that collaboration improves working relationships by building trust and generating insight into diverse views and values. The CBCs studied tended to be open and inclusive, to support informed decision-making, and to be somewhat more efficient than traditional approaches in terms of time and money. Overall, individuals participating in CBCs reported being satisfied with both the process and the outcomes. One of the key lessons concerned the
importance of linking ad hoc collaborative processes with formal decision-making processes (e.g. agencies or public officials); this not only provides opportunities to influence public decisions, but also enables access to resources of formal agencies (financial and technical) that are necessary to sustain CBC efforts. Public officials tended to be open to redefining their roles (from a simple role as technical expert and decision-maker to a richer role as convener, stakeholder, and partner). Further research is needed to determine the extent to which the outcomes of CBCs are implemented with the desired effect.


In 2007, the Canada West Foundation held a roundtable on regional governance (sponsored by the Alberta Department of Sustainable Resource Development). Participants included local and international government officials, academics, planners, and stakeholders interested in intermunicipal and regional growth planning pressures in Alberta and elsewhere. Participants agreed that Alberta’s ecological infrastructure crisis requires regional planning and coordination, and that regional planning necessitates involvement of the province (to provide a framework of provincial goals, objectives, and priorities, and to provide leadership and vision). Trust, flexibility, and relationship-building were identified as essential ingredients of effective regional governance, and social and political capital were agreed to be essential for effective partnership-building. One of the major challenges for regional governance involves decision-making and dispute resolution; while municipalities recognize the importance of cooperation, they are often preoccupied with defending their local interests and less prepared to make sacrifices for the greater good of the region. Financial incentives for regional governance participation, provided by the province, may encourage municipal involvement. In addition, while consensual decision-making builds trust and social capital, unanimous consent is difficult to achieve. One solution is to engage a neutral third party to make binding decisions when consent is not achieved, though there was concern about relinquishing this kind of power to a third party (notably the province).


This is one of a series of papers written for Vibrant Communities, a four-year national initiative exploring local solutions to reduce poverty in Canada that was sponsored by the Tamarack Institute for Community Engagement, the Caledon Institute of Social Policy, the J.W. McConnell Family Foundation, and Human Resources Development Canada. The paper describes comprehensive
community initiatives (CCIs) as an approach to addressing community issues. CCIs are collaborative, relying on purposeful, community-level partnerships between governments, business, voluntary organizations, and community citizens for success. One of the challenges associated with partnering with governments is that governments are often unable or unwilling to act in an advisory role to the community, particularly when involved in a funding relationship. Yet the potential exists for government to act as a leader, investor, and enabler; governments can support local convening processes (e.g. provide funding, facilitate relationship-building through roundtables and steering committees, act as champion of the issue, or set a vision and strategic plan), and can provide technical assistance or coaching to help the community tackle complex economic, social, and environmental problems more efficiently and effectively. Governments can also support learning within and between communities, provide information on research and on exemplary practices, involve key stakeholders in discussions of possible policy approaches and solutions, and coordinate and disseminate knowledge about community development.


Under the direction of the Minister’s Council on Municipal Sustainability, the City of Edmonton established a working group to develop recommendations for enhancing regional cooperation and coordination as a strategy to better meet the infrastructure and service needs of a booming Alberta population. The working group recommended that where there are unresolved conflicts, the province should require municipalities to negotiate intermunicipal development plans (IDPs). Additional recommendations included establishing formalized regional agencies in high-growth areas with many municipalities or with more complex intermunicipal relationships, and a greater role for the province (including facilitating regional service delivery, enacting legislation allowing service delivery agencies to levy and collect their own revenues, and increasing technical and financial support to small municipalities that have minimal planning capacity).

2.3 Competing Interests


Through case studies in five European countries, the *Building New Relationships in Rural Areas Under Urban Pressure* project examined the opportunities and challenges of rural preservation and development in light of increasing urban-rural interdependencies. The project found that as new uses are found for rural spaces, and as the number of stakeholders with divergent interests in rural landscapes increases, the meaning and ‘proper’ use of rural landscapes becomes increasingly contested. Local rural stakeholders and authorities tend to favour rural diversification and development, while regional and national governments, newcomers to rural areas, and environmental groups favour rural preservation. It is suggested that new alliances are required that reinforce cooperation among varied stakeholders. The authors propose that to achieve cooperation, it is necessary to identify the emerging strategies of each stakeholder (noting that national and regional governments largely control land use planning and environmental protection), increase awareness about the rural landscape and rural heritage, and support local stakeholders.


Using data from interviews with individuals involved in regional economic development initiatives in Illinois, Gordon explores how rural and urban areas within an economic development region perceive one another (e.g. as competitors or collaborators), and identifies benefits of and challenges to regional economic development. While the importance of a collaborative attitude was recognized by economic development stakeholders, some stakeholders continue to hold a competitive attitude toward neighbouring communities. Benefits of collaboration were found to include economic spill-over (e.g. one community’s strong economy benefits neighbouring communities), greater marketing power (e.g. marketing the region as a whole), economies of scale (e.g. pooling of resources), and the sharing of expertise. Barriers to collaboration included the desire to maintain local autonomy; disagreements about the nature of the cooperative effort (e.g. some preferred formal arrangements while others opted for a less formal arrangement); inequalities in resources, power, and accountability; and attitudes of distrust and fierce competition. Gordon concludes
that there needs to be an increased commitment to and promotion of collaborative efforts from the state.


This article examines the contested nature of rurality and implications for rural economic development. Rural and urban economic structures in the UK are becoming increasingly similar, with just 2.6% of rural income generated by farming and 80% generated in the four main sectors of distribution and retailing; business and financial services; public services; and public administration, education, training, and health. Despite shifts in the rural economy, the authors argue that current rural development strategies take an overly agricultural approach to development, and that where they exist, regional development strategies contain a strong urban bias, viewing rural areas largely in terms of their contributions to food production and tourism. As a result, rural economic development priorities tend to be overshadowed by (urban-derived) rural preservation strategies. The authors call for policy that better reflects the new rural economy and provides a better balance of development and preservation strategies.


While development and planning policy in the Republic of Ireland has an increasingly regional perspective, Scott identifies an urban bias in regional policy, wherein cities are perceived to be the driving force of regional development, and privilege is given to the preservation of rural landscapes at the expense of rural economic diversification and development. Scott suggests that this bias is due in part to the failure of policy-makers to recognize the heterogeneity of rural landscapes. Scott suggests that the Irish National Spatial Strategy, a national framework for regional development, might bring a more balanced perspective to development planning, as it represents a more differentiated planning response (by encouraging planning at the local authority level and by identifying heterogeneity within rural areas). This strategy further focuses on the interdependencies of rural and urban areas with an eye to overcoming the artificial division between rural and urban policies.

See also Esparcia and Buciega (undated), Roberts (2007), Moseley (2002), Webb (1999) and Douglass (1998) on the importance of balancing competing interests for successful urban-rural partnerships and regional collaborations.
2.4 Attitudinal Factors


The 2001 *Alliances for Recapturing Wealth on the Canadian Prairies* conference was intended to respond to the current threats to agriculture (e.g. climate change, tightening margins, intense competition in a global marketplace, and concentration and consolidation in input and output sectors) by exploring and promoting alliances. One of the main barriers to effective alliances, however, is the adherence of rural stakeholders to the value of independence. It was suggested that this value may be mediated by enhancing stakeholders’ awareness of the importance of collaborative ventures for increasing buying power and marketing clout, reducing fixed costs, and strengthening their entrepreneurial skills, which would in turn enhance the economic viability of rural communities.


One of the themes of the 2004 Ontario Rural Council conference, *Leading Through Change*, concerned the tension emerging between rural and urban areas in Ontario as a result of forced amalgamations. Specifically, rural communities perceive that their concerns have been overlooked or downplayed and that urban areas receive more attention (e.g. in the media and public response). Rural communities are also concerned about having to compete with cities for resources (e.g. some feel their tax dollars are going exclusively to urban initiatives), about urban sprawl, and about declining financial support for municipalities and local governments. In response, it was suggested that rural stakeholders recognize that many of their concerns are also concerns of urban stakeholders, and that acting collaboratively with urban neighbours would provide a more effective response to matters that have regional implications. It was recommended that rural and urban stakeholders, as well as local, provincial, and federal levels of governments, begin by exploring and identifying common goals and communicating shared priorities with the intent of forming partnerships. Benefits of urban-rural partnerships would include ensuring a stronger ‘rural’ voice in decision-making, and building a more sustainable base for communities (for example, small towns cannot survive on tourism alone, but regions can). Moreover, urbanites have little awareness of their vested interest in rural
prosperity (e.g. they have little impetus to be mindful of where their food, clean water, and healthy environment come from), and rural communities have an obligation to communicate and champion their joint interests. In short, changes in both urban and rural perspectives are required for urban-rural partnerships to emerge.


2.5 Procedural Factors


This paper presents the findings of case studies of four Canadian corporations involved in community economic development. The study found that one of the challenges to partnerships between community economic development actors and the private sector was finding common ground or reconciling diverse interests, while one of the factors facilitating partnerships was a shared understanding of the collective benefits of joint ventures. The corporations involved in the case studies, for example, were motivated to participate in community economic development initiatives because they recognized that doing so would lead to a more positive public image and that they would benefit from widespread community economic prosperity.


Working from the premise that regional initiatives create public opportunities to address issues that affect multiple jurisdictions, McKinney and Essington distinguish between the procedural elements of regional collaboration (the process of planning across boundaries) and the substantive elements (policies, programs, and activities addressing particular issues), present the main challenges to regional collaboration, and identify ingredients of successful regional collaborations. Challenges to collaboration are related to scope and participation (e.g. who should participate, who should take the lead, what issues should be on the agenda, how the region should be defined, how responsibilities...
and costs should be shared), to attitude (e.g. overcoming adherence to the value of working independently, and realizing that objectives can be better achieved by working collaboratively), to the lack of familiarity with the process of regional collaboration (e.g. stakeholders may not possess the skills to act and negotiate in multi-party settings, and may have questions about the links between ad hoc regional forums and formal decision-making processes), and to the lack of resources (e.g. time, money, information, and knowledge). Ingredients for successful regional initiatives include effective governance, civic engagement and deliberative dialogue, a focus on a compelling purpose, the mobilization and engagement of the ‘right’ people, a definition of regional boundaries based on stakeholders’ interests, deliberate and collaborative decision-making, and the ability of partners to be flexible and adaptable.

3.0 OTHER FACTORS EXPLAINING VARIATION IN ECONOMIC DEVELOPMENT

3.1 Urban Proximity


In this article, Partridge reiterates his argument that metro-adjacent rural communities benefit from urban growth (e.g. as cities grow, employment opportunities for rural commuters increase and urbanites relocate to rural areas for lower housing costs, to escape urban congestion, and to take advantage of rural amenities) and speculates on the impact of rising energy costs on rural and urban economies and on urban-rural interdependencies in particular. For example, the increasing cost of commuting will likely result in a decline in commuting among rural residents and reduce the likelihood that urbanites will relocate to the country with the intention of commuting to urban jobs. Rising energy costs also have implications for such energy-intensive industries as agriculture, which will further impact rural economies.


Recent research has focused on the effects of urban agglomeration growth on metro-adjacent rural areas, but little has examined the effects on rural hinterlands (non metro-adjacent areas). This study explores the influence of proximity to urban agglomerates on hinterland population growth and finds that as distance to high-tiered urban areas increases, negative growth effects increase, and that the costs of distance seem to be increasing over time. Rural hinterland growth is thus a function of not only the attractiveness of its amenities and its natural resource base, but also its proximity to urban agglomeration economies.
This study examines the influence of urban proximity on the likelihood that rural Saskatchewan communities will be successful in attracting new businesses. The authors conclude that urban proximity is a significant factor, with larger and more remote communities having a greater variety of business activities than smaller or less remote communities. These findings imply that rural economic development policies and strategies should focus on larger remote rural communities.

_Dabson (2007) also addresses urban proximity as a determinant of rural economic development._

### 3.2 Rural Economic and Socio-Economic Characteristics


This article focuses on the commuting sheds of 115 different Canadian urban areas to examine the influence of city size on commuting. Using 1996 and 2001 Census data, the analysis reveals that areas within 100km of Census Metropolitan Areas (CMAs) or Census Agglomerations (CAs) have high commuter sheds, especially in Ontario, Quebec, and the Prairies. This blurring of the distinction between urban and rural communities promotes, and is indicative of, increased regionalization. The authors find that the share of a rural workforce commuting to an urban centre decreases with distance from the urban centre. However, in densely populated areas with an urban centre, distance of the rural community does not fully explain variance in the commuting rate because commuting sheds often overlap. They also found the demographic make-up of the rural area to influence commuting rates; communities with a greater working-age population exhibit greater commuting to urban centres. The level of education in a rural area generally only plays a role in commuting rates when the nearby city is very large, suggesting that only the largest cities offer the professional and high-skill jobs that attract highly educated commuters from nearby non-metro areas. They also found that relative job growth in the city did not influence the number of people commuting from rural areas. Overall, the authors conclude that the role of urban agglomeration spillovers in rural development is highly dependent upon local conditions, despite the existence of
a general sense of urban hierarchy. The authors believe that the empirical examination of these commuter sheds will aid in the governance and infrastructure planning in these communities.


The authors examine rural and urban economic development programs in Pennsylvania to locate differences. Interview data reveal that rural programs tend to be centralized; to focus on recruiting new businesses and retaining existing businesses; and to have comparatively limited resources, particularly in the area of human resources. Rural economic development tends to be highly dependent on one, or a few, key people undertaking responsibilities, making development initiatives highly sensitive to human resource turnover; a key person leaving can largely destroy the continuity of economic development. Urban economic development, in contrast, benefits from a critical mass of agencies, individuals, and economic development businesses that deal with development more autonomously, as well as greater resources, including human resources.


This study sought to determine whether income inequality had the same effect on economic growth in rural and in urban communities. Using U.S. county-level data, the study found that in urban areas, income inequality can stimulate economic growth, as the market rewards for the most skilled and specialized workers are more intense; in rural communities, however, income inequality can compromise economic growth. Income inequality in rural areas can weaken social cohesion, as the lack of anonymity and closer personal relationships in rural areas makes it more likely that residents will be aware of, and react negatively to, income inequality. Decreasing social cohesion, in turn, weakens economic growth.


Because rural communities have limited resources to attract and retain new business, they require a targeted approach to economic development that takes into account the probability of recruiting particular industries given the
community’s unique characteristics. This study examined the characteristics of 33 communities in Saskatchewan for the likelihood that the communities would attract various types of industries. Community characteristics included population size, population density, proximity to a larger regional market, education levels, average housing values, employment in agriculture, infrastructure expenditures, and soil zone. The authors also examined the extent to which individual communities engaged in collaborative economic ventures with surrounding communities and found that industry recruitment was more successful when a regional, rather than a community, approach to community economic development was taken.


This study examined spatial patterns in employment growth dynamics for nonmetropolitan U.S. counties between 1990 and 2004 using a Geographically Weighted Regression (GWR) approach. The authors argue that GWR approaches are necessary in order to tease out variations in regional employment growth. Using this method, the authors were able to better identify the influence of amenities, human capital, immigration, and distance to urban centres on regional growth patterns. The study revealed significant variation in the effects of these determinants within regional areas that otherwise appeared relatively homogeneous. The lesson for policy is that one size does not fit all; local policymakers should be aware of the specific amenities in their area that contribute to economic growth or decline. For example, a policy to attract immigration may be effective in one region but not in another.


In this article, Quigley argues that population density is becoming a less significant variable in determining rural economic viability in the U.S. With advances in telecommunications, for instance, the high population density once required for the marketing of speciality products becomes much less salient (as consumers in rural and remote places can purchase specialty goods over the Internet). Lower land costs, improvements in transportation, and the declining importance of raw materials in manufacturing are providing rural areas with a competitive advantage with respect to production, despite low population density.
Low-density rural areas are also becoming more competitive in service and entrepreneurial activities, as those involved in these areas are ‘footloose’ and are attracted to rural areas with lower land and labour costs and a higher quality of life. Implications for rural policy include the need for investment in transportation and public infrastructure in rural areas, for government-sponsored pilot guarantee programs that would encourage more aggressive lending practices of urban financial and lending institutions to rural areas, and for greater decentralization of education services, such as extension activities in rural areas that focus not on agriculture but on entrepreneurship, finance, or general business skills.


Reimer presents the findings of the Canadian Rural Revitalization Foundation’s New Rural Economy (NRE) project, which examined the implications of recent shifts in rural economic structure for community development. The research revealed the importance of social capital (institutions and organizations within which social relations are organized, such as a school, a baseball league, or a food bank, and which can be used by the community to advance their economic development objectives) in rural economic development, but found that social capital is dependent upon community capacity (defined as the ability of a community to reorganize their assets to produce valued outputs, including social capital as well as economic and human capital). Community capacity is measured by the extent to which the community is integrated into the global economy (measured by its engagement in imports and exports), stability of the local economy (its attractiveness to new industry or business when stable), metro-adjacency (with metropolitan areas providing a population base for commerce and employment, a range of services and institutional resources, and culture), and institutional capacity (since having schools, hospitals, government agencies, and other major service institutions makes communities attractive to new industry and business). It is concluded that local conditions (community capacity) influence the extent to which social capital can be used to facilitate rural economic development.

Dabson (2007) and Partridge et al. (2008) also note the influence of rural economic and socio-economic characteristics on rural economic development.
### 3.3 Economic Diversification


Community colleges have evolved greatly over the past 50 years and are dramatically influenced by changing economic demands. Colleges have responded to these new demands, and have helped facilitate the smooth transition of industry and economic diversification in a number of rural communities in the southern United States. Rural community colleges are inextricably linked to economic development via their flexibility in a demand-driven environment; their rural location, which reduces costs and provides a more “hands on” learning experience; and their acceptance of a broader section of the learning community than more traditional education institutions, as well as a number of other factors. This article positions rural community colleges as institutions that can continue to shape the economic futures of rural regions, provided that they are recognized as influential catalysts for diversification both nationally and internationally.


Economic diversification has been shown to reduce instability across large economic units (e.g. state economies) and in metropolitan areas (by providing a shield from market fluctuations), but there is a lack of evidence that diversification reduces economic instability on a regional scale and in more rural locales. Trendle uses data from 125 Australian Local Government Areas to examine the role of industrial diversification in regional economic stability and, using a spatial lag model, finds that regional diversification does reduce instability at the level of functional economic areas as well as in sparsely settled rural regions heavily dependent on agriculture and mining.


This article draws on secondary research to demonstrate that rural economic development, in particular the recruitment of retail firms to rural areas, depends on a number of factors, including the number and type of existing firms, whether the community meets the population threshold required by a particular firm or
industry, and relationships with surrounding communities. Urban proximity is also a factor, though there are mixed findings in the literature. Wensley and Stabler (1998), for example, found a greater number of retail establishments in remote rural areas than in towns that were metro-adjacent, while Henderson et al. (2000) found the reverse. The authors conclude that rural development planning is best facilitated by a regional approach that takes community and regional characteristics into account.

Johnston (2005) also notes the importance of economic diversification for rural economic development.