

**ONTARIO RURAL
RESEARCH AND SERVICES COMMITTEE
(ORRSC)**

**2004 ANNUAL REPORT
TO**

**ONTARIO AGRICULTURAL SERVICES
COORDINATING COMMITTEE
(OASCC)**

February 14, 2005

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1. Executive Summary

In late 2002, the Ontario Rural Research and Services Committee (ORRSC) set priorities for rural research and services for the 2003-07 period.

The priority areas were:

- Labour Force Development
- Environmental Sustainability
- Services
- Immigration/Migration
- Community Capacity
- Innovation

In 2003, there was a review and confirmation of the priority areas, and an updating of the current issues and information needs within those priority areas.

The priority areas, in order of importance for 2004 were:

- Environmental Sustainability
- Immigration/Migration
- Labour Force Development
- Community Capacity
- Rural Innovation
- Services

(See page 13 for full descriptions of each priority area)

The 2004 review process included a discussion on new and emerging issues as the members reflected on the current priorities. The ORRS committee confirmed the existing priorities for the 2005 projects and recommended that issues of rural/urban linkages and governance be given consideration.

2. Introduction

The Ontario Rural Research and Services Committee (ORRSC) is one of nine committees under the umbrella of the Ontario Agricultural Services Coordinating Committee (OASSC). The ORRS committee undertook a comprehensive visioning exercise in June 2002. The four-year strategic directions report was presented to OASCC in January 2003.

3. Mandate

The mandate of the Ontario Rural Research and Services Committee is to identify and prioritize future research and service needs that affect the sustainability of the economic, social and environmental conditions of rural Ontario as determined by Ontario rural stakeholders.

Membership includes:

- rural stakeholder organizations and community development practitioners
- three levels of government (municipal, provincial and federal)
- researchers

The committee membership in 2004 is listed in Appendix A.

Goals are:

- to assess and establish priorities for rural economic development research and service programs
- to communicate and discuss on-going rural research with respect to objectives, procedures and results
- to recommend institutions which, or individuals who, could effectively be responsible for particular research and service needs
- for members to be responsible for gathering research and service needs of the organizations that they represent
- to liaise with the Agricultural Economics and Business Research and Services Committee for greater effectiveness and efficiency, and to report annually to OASCC summarizing the prioritized needs for rural research and recommendations on resource use and allocations.

4. Major Accomplishments in 2004

Management of the rural research priority setting functions and the ORRS Committee continues to be the responsibility of the Ministry of Municipal Affairs and Housing (MMAH). Staff in the Rural Development Policy Branch in the Rural Development Division of MMAH, continue to work with the Innovation and Risk Management Branch of OMAF and report to OASCC.

The Sustainable Rural Communities Research Program approved 11 new projects for 2004-2005 in the 2003-2007 research cycle (see appendix B).

The projects fit into the priorities as follows:

□ Environmental Sustainability	2 projects
□ Immigration/ Migration	1 project
□ Labour Force Development	3 projects
□ Community Capacity	3 projects
□ Innovation	1 project
□ Services (Food Systems)	1 project

The Sustainable Rural Communities Program arranged presentations of research projects to government and university representatives on May 11 and November 25, 2004.

Researchers and topics presented on May 11, were:

- *Panel on Rural Community – Environmental Issues*
 - Dr. S.G Hilts – ‘Ontario Farmland Conservation’
 - Dr. J. Fitzgibbon – ‘ Impact of Environmental Management Systems’
 - Dr. K. Nentwig - Industry and Community Internships - Horticulture
- *Conflict Resolution in Rural Ontario: Responding to the Intensification of Agriculture*
 - Dr. W. Caldwell and Ms. Jennifer Ball
- *Panel on Rural Development Research Updates*
 - Dr. B. Leach – ‘Automobile Parts Plants/Community Sustainability
 - Dr. M.Robertson Lacroix – ‘Framework for Innovative Communities’
 - Dr. L. Golden – ‘ Investigation of Social Service Provision’
 - L. Hawkins – ‘Rural Supports and Work/Family Integration’

Researchers and topics presented on November 25, were:

- Linda Hawkins *-Rural workers and their family issues*
- Dr. Kerry Preibisch *-Needs of foreign/migrant rural labourers*
- Dr. Don Reid *-Integration of those on social assistance through involvement in recreation*
- David Douglas *-Capacity deficit in rural economic development*
- Dr. Belinda Leach *-The impact of auto parts manufacturing on rural residences*

- Dr. Harold Bauder *-Settlement patterns of immigrants*
- Dr. Jon Smithers *-Importance of local food and alternative food networks*
- Dr. Mary Robertson Lacroix *-Identifying innovation patterns in rural Ontario*
- Dr. Stuart Hilts *-Near-urban agriculture and the increasing gulf between urban and rural society*

5. Sector Scan

Rural Ontario encompasses diverse communities. There are unique and significant differences in rural communities and regions across the province. Some rural communities have a strong interdependent relationship with small towns and urban centres; others have very little relationship. To respect the complexity and diversity of rural Ontario, definitions, programs and policies must reflect and address the wide-ranging interests, concerns and needs of rural communities. Definitions are often based on a combination of factors including: population size, population density, proximity to urban centres, resource base and geographic spaces.

The Ministry of Municipal Affairs and Housing works with a definition that considers any community to be rural if it is outside nine major centres (City of Hamilton, City of Ottawa, City of London, City of Windsor, The Greater Toronto Area (GTA), The Region of Niagara, The Region of Waterloo, City of Greater Sudbury, City of Thunder Bay). Additionally, within the GTA and the Regions, any municipality with a population of less than 100,000, is also considered to be rural.

As part of the Strong Communities agenda, the Province launched the Rural Plan in November 2004 to confirm its support for strong rural communities.

Demographics

Ontario's population is approximately 11.5 million and, of this number, 4.5 million people, or 39.3% of the population live in rural Ontario.¹ Population density is 42 inhabitants per sq. km. in rural southern Ontario, and 941.6 for urban areas.

Population Change: The rural population in southern Ontario is growing but generally more slowly than the urban population. Rural communities experiencing population growth are most often adjacent to urban centres. The increase in population can be attributed to the suburbanization of rural communities.²

Population in northern Ontario, however, declined from 1996 to 2001 by 4.2% with the exception of First Nations and Métis communities, which have experienced an increase in population.

Age Demographics:

Between 1991 and 2001, the number of young people between the ages of 15 and 29 in rural communities declined. This is the result of both birth rate demographics and youth migration.

¹ Working definition of rural used by the Ministry of Municipal Affairs and Housing

² Statistics Canada Measure: Metropolitan Influence Zone (MIZ).

The younger portion of the working age population in rural Ontario (between the ages of 15 and 44) is smaller than in urban Ontario. Both rural southern Ontario and rural northern Ontario have a larger working age population over the age of 45 than urban areas. Rural Ontario has an aging population greater than the rest of Ontario. Some areas of the province such as the Bruce Peninsula and areas of north eastern Ontario have more than 20% of their population over 65 years of age.

Dependency Ratio:

There are more people in rural Ontario (under 15 and over 64 years of age) dependent on the working age population and government transfer payments for income than in urban Ontario. A slightly smaller percentage of youth (15-to-24 year-olds) in rural Ontario than in the rest of the province means that there are fewer individuals entering than exiting the workforce. As well, a larger portion of the population is between the ages of 45 and 64 and may be exiting the workforce at age 65.

Economic Factors

Gross Domestic Product

Rural Ontario's prosperity, as measured by Gross Domestic Product (GDP) per capita, is rated near the top when compared with other similar rural jurisdictions. The Institute for Competitiveness & Prosperity reported in their Working Paper 3 that the average GDP per capita of 13 rural jurisdictions is \$30,833, while rural Ontario's is \$31,770. This places rural Ontario 3.0% above the average. While Indiana is slightly ahead of rural Ontario, Ontario is well ahead of Michigan, Florida, Virginia, Georgia, Texas and Quebec. The factor that is driving rural Ontario's lead is productivity.³

Rural Economy Sectors

Employment in rural Ontario is generally concentrated in the manufacturing, government/social services/public administration and service sectors. Many rural communities are currently developing economic diversification strategies to increase employment opportunities and attract and retain youth, young families, immigrants and highly skilled professionals.

Although agriculture is a significant sector of the rural economy, it is generally not a major employer. The non-farm population of rural Ontario represented 94.7% of the total rural population in 1996. Net farm income accounted for 35% of the total farm family income in 1997.

Bovine spongiform encephalopathy (BSE) has had a major impact on Ontario's rural economy. Both the farm sector and rural businesses in the agricultural

³ Missing Opportunities for Ontario's Urban Prosperity Gap, Institute for Competitiveness & Prosperity, June 2003.

areas of the province have been affected by BSE as well as low commodity prices.

Median Family Income

Median family income has increased almost 28% in rural Ontario compared with almost 20% in urban Ontario from 1991 to 2001. Rural northern Ontario has seen a smaller increase in median family income over the same period.

Labour Force

An aging population and anticipated retirements are causing change in the workforce of several sectors. Over the next decade, retiring doctors will outnumber graduating doctors. Retirements of skilled trades workers are also having a significant effect on rural Ontario's manufacturing and construction sectors, which account for 17% (2001) and 6.6% (2001) of the jobs in rural areas respectively.

The largest portion of northern Ontario's population is employed in sales and service occupations (27.2%). In the period between 1996 and 2001 this sector saw a total decline of 7.1%.

Primary industries make up 5.5% of rural southern Ontario's employment and 4.5% of rural northern Ontario's employment. This is contrary to popular opinion that employment in rural Ontario is predominantly in primary industry sectors, although the majority of primary industries are concentrated in rural Ontario.

An aging workforce coupled with the decline in youth population, continues to contribute to current and emerging skill shortages in some key economic sectors located in rural regions. While immigration is expected to be the major source of labour force entrants in Ontario, only 5% of new immigrants in Ontario currently settle outside major urban centres.

Employment Growth

Employment has grown more in rural southern Ontario (16%) than in urban southern Ontario (14%) between 1991 and 2001. Northern Ontario, however, has shown a decrease both in rural (5%) and urban (7%) employment rates in the same period.

Unemployment Rate

In 2001, rural Ontario communities had a lower unemployment rate (5.8%) than urban communities (6.3%). However, there are some rural areas that had disproportionately high rates of unemployment, for example, Manitoulin District (10.5%), Sudbury District (12.5%), Chatham-Kent (8.3%) and Tweed (8.8%). Others had rates lower than the provincial average, like Casselman (1.3%) and Lake of Bays (2.2 %).

Infrastructure

For municipalities in rural Ontario, fiscal capacity to maintain and improve their aging infrastructure has been challenging. Low population densities resulting in low property tax assessment base make many rural communities reliant on other sources of revenue such as the industrial tax assessment base. For communities relying on a single resource-based industry, a closure can lead to rural municipalities having no sustainable source of property tax revenue.

Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF)

In November 2004, the Government of Canada and the Ontario Government launched the Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF), which will provide up to \$900 million in cost-shared funding to improve public infrastructure in small urban and rural municipalities with populations under 250,000.

Telecommunications

Although the number of rural communities with low-speed Internet access has increased, there is a need to expand high-speed access to ensure that rural residents are on a level playing field in their ability to access information.

More communities and businesses rely on telecommunications for access to services and service delivery to diversify work opportunities and to remain economically competitive.

Community

Education

The education levels of rural Ontario differ, but are approximately on a par with their urban counterparts. Urban Ontario has a higher percentage of people who have attended university (14% more); rural Ontario has a higher percentage of residents who have attended college or skilled trades training (7% more). A slightly larger number of rural students than urban students complete secondary school.

In September 2004, \$31 million in funding was announced through the Keeping Good Schools Open initiative. The funding is targeted towards strengthening programs, services and staffing to help rural schools.

Over the past several years rising rental fees for use of school facilities has made it difficult for non-profit and community groups to access schools for their activities. In July, 2004, the Ministry of Education and the Ministry of Tourism and Recreation announced the Community Use of Schools initiative. This is a voluntary program providing schools with up to \$20 million to cover the incremental costs of community use of facilities.

Volunteerism and Community Capacity

Volunteers — the human resource capacity — are a great strength to non-profit organizations and a key factor in helping them achieve their objectives. Volunteering also establishes networks, which strengthen social capital in rural communities.

Canada's National Survey on Giving, Volunteering and Participating (2000) found that a higher percentage of Ontarians who live in rural areas volunteer their time (13.1%); however, they contribute fewer hours than their urban counterparts. Seniors accumulated the highest number of volunteer hours. A typical volunteer (37%) is between the ages of 35 and 44 years, is female and employed full time.

Health

Health Care

Access to health care services is a key issue across Ontario. As of March 2004, there were 134 communities (38 northern, 96 southern) designated eligible for the Under-served Areas Program by the Ontario Ministry of Health and Long-Term Care. These communities require 639 general or family physicians (96 in the north, 543 in the south). The majority of the communities designated as under-served are rural.

The strategies to recruit and retain physicians have expanded to specialists, nurses, nurse practitioners, and others such as mental health, speech and rehabilitation staff. The recruitment and retention activities of rural communities have become increasingly competitive, with the type and cost of incentives steadily escalating.

Water

There is increased awareness on how protecting natural assets is integral to public health and safety. New legislation such as the *Drinking Water Source Protection Act*, *Safe Drinking Water Act*, the *Sustainable Water and Sewage Systems Act*, the *Nutrient Management Act*, and the *Oak Ridges Moraine Conservation Act*, as well as revisions to Water Regulation 170, infrastructure investment programs, technical training and information management initiatives all contribute to the protection and provision of clean, safe drinking water to Ontarians.

Watershed-based source protection impacts rural communities, where the majority of Ontario's groundwater supplies recharge areas and fresh water sources exist.

Air

Climate change, smog and air quality concerns are both rural and urban issues. Ontario has taken a leadership role in addressing air quality and is taking several steps to ensure targets are met.

In Ontario, communities and industries are facing new limits on air pollutants, emission reductions, phasing out of coal generating plants, and increased awareness and demand for alternative, renewable energy sources. Rural Ontario is playing a key role in providing solutions to some of these challenges, e.g., carbon sinks, ethanol, biodiesel and wind power generation.

Greenspace improves the quality of life. A greenbelt is key to permanently protecting environmentally sensitive and agricultural lands in the Golden Horseshoe Area from urban development and urban sprawl.

Waste

The government's proposed regulations surrounding waste are related to the government's commitments to improve water quality and overall environmental concerns.

6. Rural Research and Services Priorities

Current 4-Year Priorities

In 2002, the ORRS Committee set the following priorities for the 2003-2007 cycle of rural research and services:

- A. **Labour Force Development:** The need to address projected shortages in the quantity and quality of the rural labour force by understanding: factors affecting workers' decisions to locate; the relationship between demographic shifts and labour-force development needs; predictive models of future labour structures; and, the factors which attract industry investment and how these factors affect community development.
- B. **Environmental Sustainability:** The need to understand environmental impacts of rural economic development by: analyzing the extent of integration of environmental concerns in local municipal policy; determining the degree of environmental sensitivity in community development; and examining models of development where environmental concerns are part of the equation.
- C. **Services:** The need to understand, through regional research collaboration, existing delivery models for social, recreation, health/wellness, municipal and business services in rural communities by comparing and assessing according to the following indicators: rural specificity, sustainability, accessibility, and extended support.
- D. **Immigration/Migration:** The need to identify, understand and apply appropriate models of successful rural immigration with particular emphasis on marketing rural communities to attract immigrants.
- E. **Community Capacity:** The need to understand models or approaches directed toward engaging citizens in community building through: assessing leadership skills development resources; examining organizational capacity; exploring urban-rural linkages; and understanding the impact of volunteer and youth development programs.
- F. **Rural Innovation:** The need to identify barriers and enhancements of innovation through understanding: social and cultural attitudes; the affect of economic clustering; location factors; and institutional and community context in rural places.

In 2003, based on the current trends, the ORRS committee re-ordered these priorities to be Environmental Sustainability, Immigration/Migration, Labour Force Development, Community Capacity, Rural Innovation, and Services.

The 2004 Review (for 2005):

- ❑ The committee members presented the new and emerging issues and information needs of their respective organization.
- ❑ The committee reflected on the current priorities.
- ❑ A number of overarching themes within the existing research areas emerged throughout the discussions.
- ❑ The committee confirmed the priorities.

Additional Areas of Interest:Rural/urban interconnections:

It is widely understood that rural and urban are interconnected. However, how each influences the other, and the nature and value of these interconnections need to be examined. Simply by the nature of the demographics, the urban economy is significantly larger than that of rural, but rural still makes a significant contribution to Ontario's socio-economic well-being. This contribution needs to be clearly identified.

Governance:

There appears to be a shift from government to governance where the non-profit sector is taking an increasing role in local governance. This relationship and the implications need to be examined and understood. The governance structure of municipalities needs to be reviewed because municipalities are coming under additional pressure from higher levels of government through transfer of responsibilities and new policies/legislation. Rural communities will also need tools and fiscal capacity to effectively cope with these initiatives. Additionally, after amalgamation, some municipalities have communities that are both urban and rural in nature and this has resulted in conflicting interests.

Linkages between Ontario Agricultural Economics and Business Research and Services Committee and ORRSC

Potential common priority areas of research may contribute to broader approaches to particular research projects and efficient use of resources. Common areas of interest have been identified and will be explored further within the following research priorities:

- environmental sustainability: regulatory burden of proposed new legislation
- labour force development: health, safety and interest in off-shore skilled agriculture labourers
- capacity building: leadership development opportunities with agricultural organizations
- innovation: marketing rural business and products

**Appendix A: List of Members, Ontario Rural Research and Services Committee
2004**

NAME/ORGANIZATION	EMAIL
Beshiri, Roland , Statistics Canada	Roland.beshiri@statcan.ca
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Appendix B. List of Approved Projects for 2004-2005 in the 2003-2007 Sustainable Rural Communities Research Program Research

New Projects Submitted						
Project #	Program	Leader	Collaborating Faculty	Short Title	Start Date	End Date
026155	SRC	Preibisch, K.		Rural Community - Partnerships	March 1, 2004	28-Feb-05
026240	SRC	Bauder, H.		Immigrant settlement in smaller places.	01-Sep-04	30-Apr-07
026235	SRC	Smithers, J.	Joseph, A.E. Connell, D. McKinnon, S. 3 TBA	Local Food Systems	15-May-04	30-Apr-05
026236	SRC	Reid, D.	Golden, L.	Integration of the marginalized into rural society.	01-Jun-04	31-Dec-04
On-going Projects						
025951	Resources/ SRC	Hilts, S.	Caldwell, W.	Ontario Farmland Conservation	01-May-04	30-Apr-05
025974	SRC/ Resources	Caldwell, W.		Conflict Resolution in Rural Ontario	01-May-04	30-Apr-05
026009	SRC	Leach, B.		Rural automobile parts plants	01-May-04	30-Apr-05
026012	SRC	Nentwig, K.		Industry and Community Internships	01-May-04	30-Apr-05
026049	SRC	Hawkins, L.		Rural Supports and Work/Family Integration	01-May-04	30-Apr-05
026091	SRC	Fuller, T.	Robertson, Lacroix	A framework for innovative communities	01-May-04	30-Apr-05
026092	SRC	FitzGibbon, J.		Environmental management systems	01-May-04	30-Apr-05