Multicommunity Partnerships in Rural Development: An Alberta Case Study

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Economic restructuring, a term that has recently come into vogue, refers to a process of dramatic reorganization of economic activity. Production technology, location of production sites, organizational hierarchies, and trade patterns throughout North America have changed substantially during the past decade. Restructuring is not unique to the present, however. Individual industries and entire regional economies have changed dramatically at different intervals in the past in response to changing circumstances. These changes have led to labour being released from agriculture and other primary activities typically located in rural areas and also rural jobs in trade, service, and infrastructure being consolidated into fewer and larger places. What is different about the present restructuring is its pervasiveness and rate of change. Most industries and most regions, urban as well as rural, are participating in the current realignment of jobs, industries and markets.

Even before the difficult times of the 1980s, attempts were made by both local and senior Canadian governments to rejuvenate individual communities and (sometimes) groups of communities or rural regions.[1] Recently, the focus of provincial and federal government attention has tended to emphasize bottom-up, multicommunity organizations as the preferred structure for channelling

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1. For purposes of this paper the term community will be synonymous with centre, that is, it refers to a specific place. Community in the broader sense, involving multiple places, will be distinguished by reference to region, area, or multicommunity.

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senior government funding for rural area economic development. Although few multicommunity organizations have been in continuous operation for any length of time, and even fewer evaluations of their effectiveness have been conducted, the multicommunity concept has captured the imagination of policy makers.

Conceptually, the multicommunity or regional approach has several attractive features. Labour markets and shopping patterns, for example, typically encompass geographic spaces that include several communities. Much rural infrastructure -- high schools, hospitals, solid waste disposal facilities, and many more -- serve areas that encompass numerous communities and rural space. Selection of the area to coincide with the set of functions that the regional or multicommunity organization is responsible for is a prerequisite, of course, for the success of the organization. So, too, is the form of organization. It must be structured to coincide with the complexity of problems and range of interests to be addressed (For a discussion of the importance of organization and three case studies of multicommunity development efforts, see NCRCRD 1992).

In this study, we attempt to assess the effectiveness of efforts made to rejuvenate a rural area in Alberta. Our approach is at variance with that of some community development practitioners and academics from those disciplines which emphasize the internal processes associated with organizing for development. Capacity building and the creation of appropriate organizational structures are, of course, important and necessary steps. However, they do not preclude either the necessity of a realistic assessment of the economic prospects for a potential development project or an evaluation of the potential effectiveness of those initiatives actually contemplated. The approach taken in this paper will be to evaluate each of these three components.

The study area lies north of the Trans-Canada Highway between Calgary and Drumheller and extends northward to Trochu, which is directly east of Olds. Continuous senior government funding has been available to this area since 1972 when it was initiated as Regional Resources Development Project #1 (RRP#1). Since then funding agencies have changed, the organizational structure has altered, and the geographical area has expanded. The original area is presently part of the Wild Rose Community Futures Association.

Theoretical Context

In the economics literature, the theoretical debate over the probability of a region "pulling itself up by its own bootstraps" is a long standing one (North 1955; Tiebout 1959; Hartman and Seckler 1967; Olfert 1978; Anderson 1988). The question revolves around whether the growth path of a region is predetermined by its export base and external demand for these exports, or whether it is possible to generate growth endogenously, independent of (or in addition to) export demand. An additional question, and also a perennial one, is what

constitutes a region. Even in the export base notion of the determinants of a region's growth, economic ties within the region are necessary in order for an increase in export demand to have a local impact. In this sense, the existence of economic relationships within an area, for instance, consumption, intermediate and investment spending by persons and businesses in the area, defines an economic region. Of course, the particular type of export base will influence both the export-related growth potential of the region as well as the size of the intraregional multiplier.

A closer examination of the necessary conditions for endogenous self-sustaining growth reduces the question to one of the relative sizes of the parameters. Import leakages, the capital-output ratio, and the marginal propensity to consume define the potential for a region to depart from a growth path defined solely by export demand. Again, to the extent that some export bases are associated with, for example, particularly low (or high) import leakages, the specific nature of the base will be a major influence on a region's internal growth potential.

Extensions of the Hartman-Seckler model include an examination of the ways in which the parameter values themselves, specifically the marginal propensity to import, may change in response to regional income, whether generated by export demand or otherwise (Olfert 1978). That is, although a region may be bound at one point in time by total dependence on export demand, the size of the import leakages (and, therefore, the likelihood of endogenous growth) may change, and along with this, the region's potential for endogenous growth. The unanimous conclusion is, however, that high and unchanging leakages link the region's economic fate to the external demand for its exports.

These theoretical considerations form the framework for examining the success or failure of regional economic development projects. First, the definition of the region is critical before multiplier effects of development efforts can be discussed in a coherent manner. Second, the export base of the region must be considered in evaluating both the potential for success of development efforts at the outset, and the impact of these efforts after the fact.

When it comes to policy design and program implementation, the public administration literature provides extensive treatments of capacity building, partnerships, policy design, and organization for development purposes. Often the managerial capacity of small governments is limited. A first step, therefore, requires enhancement of local managerial capability (Sokolow 1986; Cigler 1986). Spontaneous formation of regional or multicommunity partnerships is also a relatively rare occurrence and the development of such relationships is seen as a particularly difficult undertaking (Cigler 1994). Regional structures and multicommunity organizations are, consequently, more often created by senior government legislation or enticed through senior government incentives (Andranovich 1991). In that branch of this literature which deals with policy implementation and program delivery, the emphasis is usually on process

(Olsen and Eadie 1982; Sorkin et al. 1984; Mazmanian and Sabatier 1983).

We agree that the processes defined in the public administration literature are necessary components of development planning. Too often, however, development initiatives appear to have been based upon the assumption that process alone is sufficient. It is our contention that, in addition to the appropriate procedures, a realistic appraisal of the candidate area's development prospects is essential prior to the design of a plan and the commitment of funds. Further, the selection of specific initiatives which are both compatible with the existing matrix of economic activities in the subject area and capable of addressing the problems which led to the selection of the area as a candidate for development in the first place are crucial if the development initiative is to have any hope of success.

In regional and rural economic analyses, assessment of a local economy's performance is usually made with reference to how well the economy of which it is a part performed. Thus provincial economic performance is typically assessed relative to the national economy or other groups of subnational units (Perloff et al. 1960; Economic Council 1977; Mieszkowski 1979; Coffey and Polèse 1987). In a similar vein, performance of rural economies may be assessed by comparing rural with larger regional, or with urban, economies (Bollman 1992).

Rural economies across North America have been going through a process of industrial and spatial reorganization for many years. The economic base of the rural economy itself has an important influence on the fortunes of rural areas. Remote agricultural regions, mature resource-extractive areas, and areas dependent upon routine, low-tech manufacturing industry have not fared nearly as well as those that either became retirement or recreation centres, gained from urban spillover, or experienced new resource development. Generally, the smaller the geographic area of the rural economy being considered, the higher the leakages from the area.

Proximity to a major metropolitan area can be an asset to the extent that the metro area provides a labour market for rural dwellers. In turn, the rural area may provide lower-cost locations for firms, and the potential for developing into residential "suburbs" for the metropolitan area.

Rural trade-centre systems have also been profoundly influenced over the past several decades by changes in rural dwellers' shopping patterns, which have become virtually indistinguishable from those of urban dwellers. The convenience of shopping in the closest rural community has been exchanged for the quality, variety, and competitive prices obtainable in larger, but more distant, regional centres. In the process, some larger rural communities, well situated with respect to regional markets and provincial highway systems, have become major regional trade centres at the expense of smaller centres (Stabler and Olfert 1992; Stabler et al. 1992).

Location patterns of major chains and franchises, focusing on the available market area of a community, have reinforced the consolidation of trade and service activities into fewer, but larger, rural centres.

In due course, provincially financed community infrastructure, because much of it is characterized by scale considerations, is also placed in (or consolidated into) larger regional communities, further adding to their attraction. All of these processes have increased the leakages from small rural economies.

At the level of individual communities, these influences must be considered in the context of central place theory. In this approach the size, spacing, and function of communities is examined as part of a trade-centre hierarchy. The position of an individual community at a point in time, and changes in that position over time, is defined by the number and complexity of functions performed. Changes in a community's position, associated with rural development efforts, must be assessed relative to changes in the entire system of communities.

We turn now to a consideration of the patterns of spatial adjustment in Alberta between 1961 and 1991. This information will provide the context within which to evaluate development initiatives in the study area.

Growth and Redistribution at the Macro Level: 1961-1991

Alberta grew rapidly during the 1960s and 1970s and, although growth slowed during the 1980s, did realize nearly a 14 percent increase in population between 1981 and 1991. Considerable redistribution of population and economic activity accompanied this growth. Larger communities grew while smaller ones stagnated or declined. This redistribution within the urban system can be illustrated by comparing population change of communities through time organized by functional position within the central place hierarchy, as shown in Table 1. Data in this table show both population and indexes of population growth from 1961 to 1991 for the province, the top four functional levels in the trade-centre system, and rural areas that include the two lowest levels of communities plus unorganized rural space. The communities are grouped into their 1991 trade-centre classifications and are held in these for the three-decade comparison. This method of organization facilitates an identification of how those communities that occupied the top four functional classifications in 1991 grew through the previous 30 years. A discussion of the procedure used in classifying these communities is found in Stabler and Olfert (1992).

At the macro level, the pattern of redistribution in Alberta was common to that experienced across much of North America during these 30 years. Communities in the top four functional classifications grew much faster than the province as a whole, while the combination of the two lowest functional categories, plus unincorporated rural areas, stagnated or grew much more slowly.

Although the pattern revealed by the Alberta statistics was consistent with

TABLE 1 Population Growth and Redistribution in Alberta by Trade Centre Category[a]

Category	1961	1971	1981	1986	1991
Province					
Population	1,331,944	1,627,874	2,237,724	2,365,825	2,545,553
Index	100	122	168	178	191
PWR					
Population	530,668	841,471	1,124,989	1,210,825	1,327,418
Index	100	156	189	204	219
SWR					
Population	93,569	113,226	174,105	191,761	201,046
Index	100	121	186	205	215
CSC					
Population	38,079	54,904	100,832	107,712	112,081
Index	100	144	265	283	294
PSC					
Population	55,923	73,838	115,739	127,017	138,642
Index	100	133	208	228	249
Rural I					
Population	613,705	544,435	722,059	728,510	766,366
Index	100	89	118	119	125
Rural II					
Population	603,603	--	--	--	683,826
Index	100	--	--	--	113

Source: Derived from Census of Canada data.

a. The trade centre categories are: Primary Wholesale-Retail (PWR), which includes Calgary and Edmonton; Secondary Wholesale-Retail (SWR), which consists of Grande Prairie, Lethbridge, Lloydminster, Medicine Hat, and Red Deer; Complete Shopping Centre (CSC), consisting of 12 communities of which Brooks and Camrose are examples; and Partial Shopping Centre (PSC), numbering 27 communities, represented by Westlock and Drumheller. Rural I includes the two lowest functional categories -- Full Convenience Centre, 114 places; Minimum Convenience Centre, 259 places -- some remote resource communities, plus all unincorporated rural space. Rural II differs from Rural I through removal of some places that were unincorporated in 1961 and some remote resource communities. The places in question are: Banff, Fort McMurray, and St. Albert. Since census data are only sporadically available for some of these places, only the end points are shown.

that in North America generally, the absolute growth of higher-level communities among provinces is strongly affected by the growth of the host province. Manitoba's rate of growth between 1961 and 1991 was less than Alberta's, for example, while Saskatchewan's was lower than Manitoba's. But, in both provinces, the Alberta pattern was repeated, with consolidation evident by urban growth rates well in excess of provincial rates. Further, in all three provinces, considerable strength was shown at the Complete Shopping Centre level, as strong regional communities emerged in response to changes in shopping patterns and the consolidation of rural-based activity into fewer and larger places. In both Saskatchewan and Manitoba, however, growth at each functional level was considerably less than at the same level in Alberta. And, taking the comparison an additional step, growth in Manitoba exceeded that at the same level in Saskatchewan in most instances. Finally, as Alberta's growth slowed between 1986 and 1991, so did that of its urban communities. In Manitoba, as provincial growth almost ceased, so did the growth of its mid-level urban centres. In Saskatchewan, the downturn at the provincial level between 1986 and 1991 led to a loss of population at all mid-level categories.

Growth and Redistribution at the Micro Level: 1961-1991

Alberta's growth between 1961 and 1991 was unevenly distributed both between urban and rural areas and among levels in the trade-centre system. Growth also differed among regions on a geographic basis. Differences in the type of economic base from one region to the next and proximity to major metropolitan centres are the factors primarily responsible for variations in spatial growth rates within the provincial economy.

Alberta's resource industries boomed during much of the 1961-91 period. In addition, Calgary and Edmonton grew substantially through the expansion of both routine and high-tech manufacturing and service industries. Communities located in regions where resource activity was expanding shared in this growth. So, too, did communities in proximity to Calgary and Edmonton. In Table 2, Alberta communities in the top four functional categories combined are regrouped according to the type of economy they are situated in. Four classifications are used: agriculture; corridor (which refers to communities within 25 miles of Calgary or Edmonton and those up to 20 miles either side of Highway 2 between these cities); resource/agriculture (which refers to communities such as Grande Prairie and Athabasca); and resource (which includes places such as Whitecourt and Slave Lake). This classification scheme is based upon one developed by Blake (1978).

Consistent with experience elsewhere, higher-level communities in agricultural regions grew more slowly than those with other types of economic bases. Communities in areas of new resource development expanded the most over the entire 30-year period, and the addition of a resource to an agricultural base clearly improved the prospects for centres in such regions. Corridor communities grew faster than agriculture or resource/agriculture centres. In fact, close study reveals that communities in the corridor between Calgary and Edmonton (Corridor II) grew faster between 1971 and 1991 than any other classification except that of Resource I, which includes Fort McMurray.

An alternative, and more detailed, comparison is provided in Table 3, where communities are grouped by individual functional classification, and growth rates among communities within each classification are shown according

TABLE 2 Urban Population Growth in the Top Four Functional Classifications by Type of Economic Base, Alberta, 1961-1991

Economic Base	1961	1971	1981	1986	1991
Agriculture					
Population	90,547	108,009	150,539	159,489	163,047
Index	100	119	166	176	180
Resource/Agriculture					
Population	28,839	37,743	58,020	63,770	66,943
Index	100	131	201	221	232
Corridor I[a]					
Population	588,604	922,076	1,279,354	1,382,756	1,514,602
Index	100	157	217	235	257
Corridor II					
Population	57,936	80,605	154,365	171,931	187,184
Index	100	139	266	297	323
Resource I[b]					
Population	12,599	22,368	59,752	66,249	69,301
Index	100	178	466	526	550
Resource II					
Population	9,985	15,521	27,752	31,300	34,595
Index	100	155	278	313	346

Source: Derived from Census of Canada data.
a. Corridor I includes Calgary and Edmonton while Corridor II excludes these cities.
b. Resource I includes Fort McMurray while Resource II does not.

to type of economic base. Again, the vitality of corridor and resource communities relative to those in agriculture and resource/agriculture regions is illustrated.

This overview of growth and spatial redistribution provides the context within which to assess whether the experience of communities in the RRP#1/ Wild Rose project area differed from that of other communities in similar economic environments elsewhere in Alberta.

Background

In 1971, the Government of Alberta established *The Task Force on Urbanization and the Future* to study a variety of subjects associated with the urbanization process. Six committees were created, each with a specific subject to study. One of these, *The Task Committee on the Potential of Smaller Cities, Towns and Communities in Regions of Slow Growth*, operated out of Drumheller and directed its attention to communities within 50 miles of that centre. Public meetings were held in each of the communities in the region to obtain citizen input and suggestions (Bodmer 1980).

TABLE 3 Indexes of Growth by Functional Category Classified by Type of Economic Base, Alberta, 1961-1991

Functional Classification	1961	1971	1981	1986	1991
PWR					
Corridor	100	156	189	204	219
SWR					
Agriculture	100	113	158	168	175
Resource/Agriculture	100	127	237	262	273
Corridor	100	141	237	278	296
CSC					
Agriculture	100	144	304	327	319
Resource/Agriculture	100	136	179	191	207
Corridor	100	151	312	328	344
Resource	100	130	211	237	243
PSC					
Agriculture	100	130	162	169	169
Resource/Agriculture	100	132	150	171	173
Corridor	100	124	251	283	326
Resource	100	208	417	471	559

Source: Derived from Census of Canada data.
a. See definitions in the note to Table 1.

At the conclusion of the study, the committee recommended the creation of a formal local development organization with a mandate to halt rural decline. In 1972, Regional Resources Project #1 (RRP#1) was established, with initial funding provided for one year on an experimental basis by the Ministry of Municipal Affairs. Eight communities and three rural districts (one Improvement District and two Municipal Districts) were included in the initial organization.[2] Each contributed small sums to the operational budget. It is noteworthy, however, that neither the largest centre in the immediate vicinity, Drumheller, nor the communities of Three Hills or Strathmore, the second and third largest centres in the area, joined. The participating communities, along with six additional centres that joined with the original RRP#1 communities to form the Wild Rose East Central Community Futures Association in 1987, are shown in Figure 1.

The coordinator of the initial development organization was responsible to a board which consisted of one council member from each participating community. In essence the organization was a cooperative type of structure, one of the loosest forms of multicommunity partnerships. The project's mandate was to: 1. coordinate (and access) senior government programs for and within the

2. One of the rural districts withdrew during the first year.

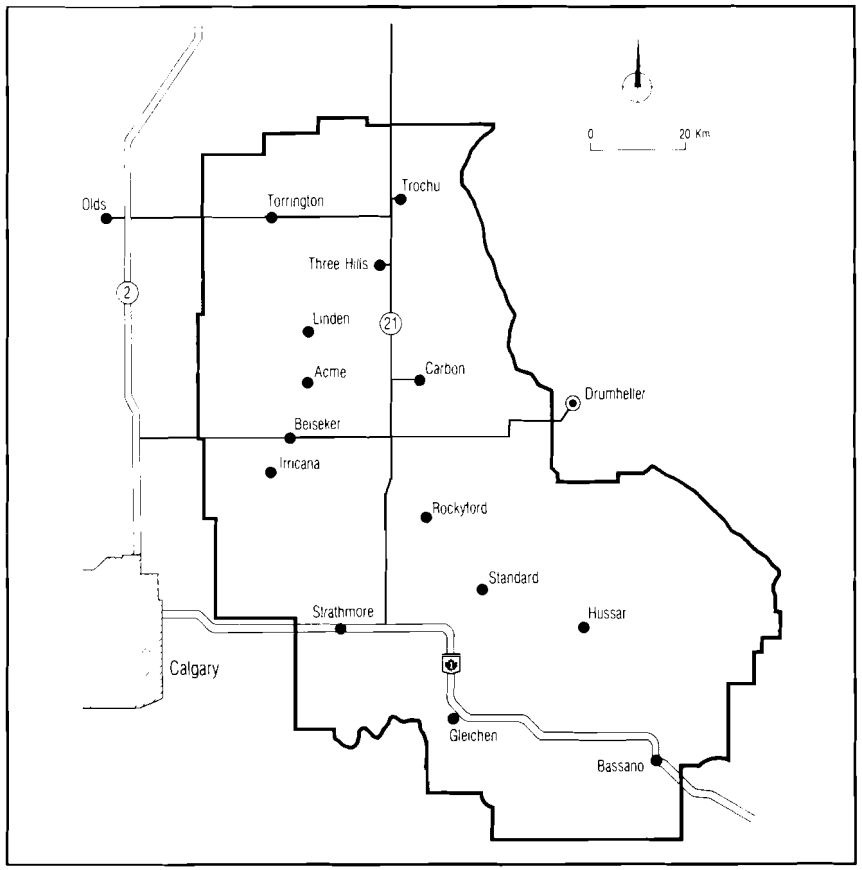

FIGURE 1 Wild Rose Community Futures Association Area

communities; 2. disseminate information about senior government programs to and within the communities; 3. prepare community inventories; 4. establish local development corporations (LDCs); and 5. begin integrated planning. These stated objectives must be considered instrumental to "halting rural decline," their broader purpose. The LDCs, once established, had more explicit objectives of promoting jobs and increasing income in the community.

Because funding was initially limited, the coordinator spent a great deal of his time pursuing objectives 1 through 4. There was a major effort on the part of the coordinator in the early years to involve the residents of the area in needs assessment, goal identification, and consensus building. The details of this effort are recorded in Bodmer (1980). However, since funding was renewed annually for the first few years, long-term planning could not realistically be undertaken.

Nevertheless, numerous provincial government programs were successfully accessed during the 1970s and water and sewer infrastructure was improved throughout the area through such efforts. In addition, some senior government programs designed for urban centres were accessed by successfully arguing that the RRP#1 area could be considered as a "regional city" with the individual communities constituting "neighbourhoods" (Bodmer 1980). A few local businesses expanded and some new firms did locate in the area as well.

Encouraged by its successes during the early to mid-1970s, the board made acquisition of industrial land and the creation of a local capital pool to attract industrial activity priorities, thus initiating the first step to turn attention from individual communities to the region as a whole. The boom of the 1970s was coming to an end, however, and the high interest rates of that era slowed the expansion of economic activity. Many of the LDCs had built houses on speculation and, unable to find buyers, were forced into bankruptcy. Others ceased operations and returned the equity to their shareholders.

Assessments of the RRP#1, which focused on organizational efforts, were periodically undertaken. A favourable review by a Calgary consultant after the first year of operation led to a renewed commitment for funding for an additional year (Scace 1973) and, after a second favourable review, for a five-year period at a slightly higher level (Scace 1976). A third assessment conducted in 1979 pointed to the need for a long-term strategy (as had the second review) and a change in mandate if the project was to embark on its growing desire to attract industrial development to the area (Scace 1979). A fourth review in 1984 resulted in an organizational change with the RRP#1 being incorporated as the East Central Economic Development Association (ECEDA) in early 1985. This review also noted (again) the lack of a strategic plan and the necessity to attract private investment. A final assessment, conducted for the Economic Council of Canada (Cadrin and Baron 1989), again focused on organization but did provide subjective assessments of the effectiveness of RRP#1's development initiatives.

Records were not kept that would permit determination of the amount of direct plus induced investment expenditures that were incurred in the RRP#1 region between its formation in 1972 and its expansion into the Community Futures Program in 1988.[3] The original coordinator estimates, however, that this sum would be, in 1992 dollars, approximately $20 million (personal communication).

3. Funding for the RRP#1 project was shifted from Municipal Affairs to Tourism between these dates although the program was little changed by this move. Other, but not all, areas in Alberta received provincial development funding between the mid-1970s and mid-1980s. RRP#1 was chosen for analysis because it was the first and has formally been under continuous development funding longer than any other rural area.

Analysis of Comparative Performance

An assessment of the comparative performance of the small communities in the development areas requires a consideration of their economic base and the initial viability of the set of communities, as well as other characteristics demonstrated to affect trade-centre viability. The small communities included in the RRP#1 area do not constitute an economic region in any meaningful sense. The area is not large enough or diverse enough to experience a significant multiplier effect even in the presence of an increase in export demand. Further, the area is situated in a region where agriculture is the predominant rural activity. As discussed above, between 1961 and 1991, agricultural areas recorded the slowest growth of all the areas considered.

Another important characteristic of the communities in the study area is their proximity to much larger cities, a characteristic that has influenced their chances for development. Trade, of course, is the economic mainstay for the majority of rural communities. Proximity to larger communities has a predominantly negative influence so far as the development of trade and service activities is concerned. In this regard, the area in question is disadvantaged because Calgary dominates the entire region for high-order retail trade and service functions. At the intermediate level, Drumheller's and, to a lesser extent, Olds' retail trade areas overlap much of the region. These larger communities had achieved dominance over trade patterns in this area long before RRP#1 was initiated.

In terms of labour markets, however, proximity can have a beneficial effect, although labour markets do not reach out so far as retail market areas. Calgary is a major employment centre. Its labour market area extends into the south western corner of the study area and could be expected to have a positive influence on the communities within daily commuting distance. Drumheller and Olds, on the other hand, are not major employment centres and would not provide a strong positive influence, through employment opportunities, on communities in their immediate vicinity.

In summary, Calgary, Drumheller, and Olds dampen the growth prospects of communities situated in the triangle between them through domination of market areas for high- and intermediate-order goods and services. In the immediate vicinity of Calgary, however, access to the city's labour market has a positive influence which may more than offset the negative effect of market dominance for those places within commuting distance.

Population Growth in the Wild Rose Area, 1961-1991

In Table 4, population growth between 1961 and 1991 is first recorded for the original communities and rural areas that formed RRP#1 and then for the additional six centres that were added in 1988 to form the Wild Rose Community Futures Association.

TABLE 4 Population Growth in RRP#1 and Wild Rose Area, 1961-1991

RRP#1					
Community	1961	1971	1981	1986	1991
Acme	328	300	457	457	527
Bassano	815	861	1200	1186	1190
Beiseker	360	414	580	503	605
Carbon	371	343	434	433	416
Hussar	213	170	175	167	146
Rockyford	288	286	329	293	318
Standard	266	267	379	331	329
Trochu	671	739	880	892	907
Sub Total	3,312	3,380	4,434	4,262	4,438
Rural					
MD 48	6,665	5,890	4,895	4,992	4,712
ID 7	2,665	2,043	1,148	1,145	1,191
Sub Total	9,330	7,933	6,043	6,137	5,903
Total RRP#1	12,642	11,313	10,477	10,399	10,341
Index	100	89	83	82	82
Wild Rose Additions					
Community	1961	1971	1981	1986	1991
Gleichen	426	367	381	327	331
Irricana	167	139	558	665	812
Linden	194	226	407	417	461
Strathmore	924	1148	2986	3544	4185
Three Hills	1491	1354	1787	2528	2884
Torrington	149	118	189	209	177
Sub Total	3,351	3,352	6,308	7,690	8,850
Total RRP#1 + Wild Rose	15,993	14,665	16,785	18,089	19,191
Index	100	92	105	113	120

Beginning with RRP#1, it is clear that growth has not been a characteristic of the area at any time between 1961 and 1991. The population of the eight original communities combined did increase by somewhat more than 1,100 between 1971 and 1981 but their gain was more than offset by losses in the adjacent rural area. Between 1981 and 1991, the population of both the communities and the rural areas remained virtually constant. The index of population growth in the area may be compared with that of Alberta Rural I and Alberta Rural II, from Table 1, during the same time. It is clear that RRP#1 fell well short of other generally similar places in Alberta.

Turning to the communities that were not initially part of RRP#1 but were added to form the Wild Rose Community Futures Association, it is obvious that their experience was dramatically different. As shown in Table 4, the combined

population of the six communities increased by over 250 percent between 1961 and 1991.

Grouping the communities in a different manner gives better insight into why some of them experienced population growth. By employing the classifications used in Table 2, communities are grouped according to the nature of the economic base of the area in which they are situated. Using this scheme, Strathmore, Irricana, and Beiseker would be classified as corridor communities and the remainder as agricultural. Further refinement is made by considering the experience of Three Hills separately from the rest of the agricultural communities, since while Three Hills is definitely an agricultural service centre, it was more than twice as large as any community in its immediate vicinity in 1961. Further, Three Hills is approximately 40 miles from both Olds and Drumheller and over 75 miles from Calgary. This location provides it a somewhat protected environment within which to provide low- to intermediate-order trade and service functions. Three Hills thus benefited somewhat from the trade-centre consolidation during the 1970s and 1980s. This comparison of communities with varying economic bases is shown in Table 5.

Reclassifications made in constructing Table 5 lead to the following observations. The three communities benefiting from proximity to Calgary's labour market, plus the one gaining from trade-centre consolidation, gained 5,544 residents between 1961 and 1991. The other 10 communities in the Wild Rose area gained 1,081, while Municipal District (MD) 48 and Improvement District (ID) 7 lost 3,427. The performance of the Wild Rose agricultural area (communities plus rural areas combined) was considerably below the Alberta Rural I or Rural II averages, regardless of how the comparisons are structured.

A statistical analysis of growth patterns in the Wild Rose area was performed in an attempt to provide an additional dimension to the subjective interpretations included in the previous section (details are provided in an Appendix). Population change by community between 1961 and 1991 was used as the dependent variable. Explanatory variables used were the initial population, distance from Calgary, and distance from either Olds or Drumheller, depending upon which was closer. It was anticipated that initial size would be positively associated with growth because the process of trade-centre and infrastructure consolidation during the time in question focused on larger places. In addition, the more infrastructure and trade and service outlets a community has, the more attractive it is for residential purposes. Distance from Calgary was anticipated to be negatively associated with growth, that is, the closer the community is to Calgary, the greater the population gain. This reflects the assumption that while the negative market-area influence diminishes with distance, it is more than compensated for within the region by the positive labour-market influence, which is inversely related to distance. Distance from Olds or Drumheller was anticipated to be positively associated with growth. In other words, the further from these communities, the greater the prospect for growth. The regression results both confirm and add precision to the subjective interpretation of the

TABLE 5 Growth of Three Hills and Other Agricultural Communities, 1961-1991

Community	1961	1971	1981	1986	1991
Corridor					
Population	1,451	1,701	4,124	4,712	5,602
Index	100	117	284	325	386
Three Hills					
Population	1,491	1,354	1,787	2,528	2884
Index	100	91	120	170	193
Agriculture I[a]					
Population	3,721	3,677	4,831	4,712	4,802
Index	100	99	130	127	129
Agriculture II					
Population	13,051	11,610	10,874	10,849	10,705
Index	100	89	83	83	82

a. Agriculture I includes all of the Wild Rose communities except Three Hills, Strathmore, Irricana, and Beiseker. Agriculture II equals Agriculture I plus Municipal District 48 and Improvement District 7.

preceding section. Initial size is strongly associated with subsequent growth. Distance from Calgary is negatively associated with community growth, underlining the importance of the labour market/bedroom effect for places close to the metropolitan area.

Analysis of Trade Centre Status

An additional way to assess the impact of the RRP#1/ECEDA initiative is to compare the trade-centre status of project area communities with those of initially similar status elsewhere in Alberta, both before the inception of RRP#1 and several years after the initiative had been in operation. To do this, all Alberta communities were grouped into functional classifications with the aid of a cluster analysis program. Characteristics of project area communities as of 1961 were compared with those of other Alberta trade centres in the same functional classification at that time. Characteristics of these two sets of communities were then compared once again in 1991. Presumably, if the local development initiatives were effective, this would be revealed by an improvement in trade-centre status of project communities relative to all other Alberta trade centres that were initially of the same size and had the same functional characteristics. The centres added when the Wild Rose CFA was created are not included for this analysis since they had been under project funding for only three years in 1991, the end point for this study.

There were 259 communities in Alberta with fewer than 1,000 residents in 1961. Of these places, 35 were classified as Partial Shopping Centres, 77 as Full Convenience Centres, and 147 as Minimum Convenience Centres (Stabler

1986).

In comparison, between 1961 and 1991, all RRP#1 centres gained population but at a slower rate than other comparable Alberta communities. At the Partial Shopping Centre level, both Alberta and RRP#1 communities gained businesses, but project communities grew by a larger percentage. At the Full Convenience Centre level, both groups lost businesses, but project communities lost them at a faster rate.

A test of the null hypothesis -- that the means of the population and businesses in Alberta and RRP#1 communities were, at each functional level, drawn from a common population in both 1961 and 1991 -- was performed using the Chi-square statistic. At the 2.5 percent significance level, the hypothesis could not be rejected for either date. In other words, the results of the externally funded development initiatives did not lead to changes in the program area communities that were sufficient to distinguish them, after 20 years, from all other Alberta communities initially in the same classifications.

Assessment

Stated Objectives

The RRP#1 development initiative may be assessed in terms of: 1. whether it achieved its stated objectives; 2. the potential of the area for development; and 3. the appropriateness of its organizational structure and authority.

RRP#1's primary objective appears to have been to halt population decline through initiatives designed to create employment within the project area. Although these objectives were never precisely articulated, the activities undertaken by RRP#1 clearly support this interpretation.

The comparative analysis of the previous sections can only lead to the conclusion that efforts to date have not led to the realization of this objective. Population within the original RRP#1 area declined by nearly 20 percent between 1961 and 1991. Absolute population loss -- sometimes large, sometimes small -- characterized each census interval. Relative decline, compared with like areas elsewhere in Alberta, was even more pronounced.

Any growth that did occur in the general area was concentrated in communities that were not members of the original development program. Three Hills, as well as two of the three corridor communities (Irricana and Strathmore), were not members of RRP#1 and only came into the initiative with the formation of the Community Futures Association in 1987. These three centres (Irricana, Strathmore, and Three Hills) experienced a total population gain of 5,299 between 1961 and 1991. The area that comprised RRP#1 lost 2,301 people during the same interval. The three additional communities added to form the Wild Rose CFA (Gleichen, Linden, and Torrington) gained a combined total of only 200 people over the same period. Thus, the only growth

between 1961 and 1991 within the expanded area that eventually formed the CFA was highly concentrated and cannot be explained by the development initiatives. Rather, spillover from Calgary in the case of Irricana and Strathmore and trade-centre consolidation in the case of Three Hills accounts for virtually all of the growth in the entire area between 1961 and 1991.

Potential for Development

Although it was probably not commonly recognized 25 years ago, the prospect of a rural agricultural area retaining its population or of a community of a few hundred people attracting economic activity was extremely low. Technological change was reducing the requirement for labour in agriculture and leading to farm consolidation (Stabler et al. 1992). Declining rural population density and changing shopping patterns were leading to trade-centre consolidation. Any development initiative in an agricultural area served by a few very small communities was facing a tremendous uphill battle (Stabler and Olfert 1993).

The board and the coordinator/director of RRP#1 were imaginative, put tremendous energy into the effort, brought in an unusually large amount of money, but did not succeed. Market forces -- changing technology and shifting preferences -- are powerful and pervasive influences. To successfully oppose them in this type of setting would obviously require more than the initiative under study could bring to the effort.

The investment expenditures on infrastructure may have improved the area in terms of more convenience for consumers and better support for business but did not change the structure of the economy. That is, import leakages were not reduced by these activities. Some of the expansion that centred on consumer-oriented businesses may have reduced the marginal propensity to import low-order consumer goods somewhat, but the development of expanding higher-order consumer functions was precluded by the proximity of Calgary and other higher-level places. Shift of demand to the larger centres for higher-order functions, however, did increase local leakages.

Economic growth during the past three decades has been largely urban-based. But some rural communities have grown. Communities close enough to a metropolitan area to benefit from the labour market/bedroom effect have grown rapidly in population. In addition, trade-centre consolidation has produced impressive gains for many rural communities that, in the Prairies, had populations of approximately 2,000 or more in the 1960s. In addition to initial size, a convenient location on a local/provincial highway system that was well removed from larger centres further enhanced the prospects of these communities. Other sources of rural growth have involved new resource development such as a pulp mill, a mine, or a major tourist attraction. Finally, a few rural communities have been able to create stability or to grow by attracting sufficient manufacturing activity to provide a large enough employment base to

sustain local trade, service, and infrastructure support (Stabler and Molder 1992; Stabler and Olfert 1992). Typically these rural manufacturing centres were also of at least 2,000 population 25 years ago and were, even then, viable communities in the local trade-centre system. The attraction of manufacturing activity reinforced their trade-centre role and enhanced their development during the process of trade centre consolidation.

Development initiatives built around one or more communities of the types just described would have a much better chance for success than those that focus on the most disadvantaged communities in a region. Although the number of viable rural communities is not large, their market areas are quite extensive. This implies that, in order to have any validity as economic units, rural development regions will have to be geographically much larger than they presently are and, consequently, fewer of them will be required to cover an entire province.

Organizational Structure and Responsibilities

Alternative types of community partnerships may be thought of as existing along a continuum ranging from networking to cooperation to coordination to complete collaboration. Partnership types are distinguished by complexity of purpose ranging from information sharing to joint problem solving. They may be further distinguished by intensity of linkages and formality of agreements.

Members of partnerships that are based upon networking or cooperation in a few dimensions generally retain most of their individual autonomy over policy making and service delivery. Members of truly collaborative partnerships, on the other hand, relinquish some or perhaps even all of their individual autonomy in several crucial areas in the effort to promote a particular shared vision in policy making and service delivery (Cigler 1994).

RRP#1 and the Wild Rose CFA have some common characteristics in terms of organization and responsibilities. Each of these organizations involved only a minimal relinquishment of autonomy. None have gone beyond simply cooperating in the pursuit of attracting funds or employment to the area. The retention of autonomy, reinforced by the structure of the boards that have consisted of elected officials from participating communities, perpetuates at least an underlying concern that each community share "fairly" in the allocation of any newly acquired resources.

An additional consideration that has undoubtedly retarded the development of a vision of a shared destiny is the absence of any real authority transferred to RRP#1 or the Wild Rose CFA from either senior level of government or from the county, rural districts, or the participating communities. In effect, each organization has had the "authority" only to bring in resources and to share these resources among the membership. The organizations have had neither the structure nor the authority to effectively promote a truly regional approach to economic development.

A final problem associated with loose partnerships and lack of authority is the absence of a process for the selection of a leader. It is left purely to chance whether an individual will emerge who can, through charisma and personal motivation, inspire a sense of common purpose (King and Roberts 1991). Even when such leadership is found, the organization often flounders when that person decides to move on.

Summary

In summary, RRP#1, to begin with, was not an economic region. The area it encompassed was too small and lacking in internal structure to generate feedback effects from the development efforts. Structural change did not follow development spending thus leaving very high leakages from the area. The forces of consolidation and out migration from rural areas dominated the opposing efforts. Loose organizational structuring with no real authority compounded the difficulties but were not primarily responsible for the failure.

Conclusions

The failure of RRP#1 and the Wild Rose CFA to achieve a meaningful level of rural development does not necessarily mean that all such efforts are bound to fail. There are several good reasons why development efforts in this area were likely to achieve little success. First, none of the communities that were initially involved had the potential either to gain from the process of trade-centre consolidation or to attract any substantial amount of manufacturing or other rural-based activity. Rather, the initial membership included only the most disadvantaged of places and these were sandwiched between overlapping retail market areas of much larger communities. The additions that were made when the Wild Rose CFA was formed did include communities close enough to Calgary to benefit from the labour market/bedroom effect spillover of the much larger city. However, their past has not been influenced in any way by the development initiatives and their future is ensured, regardless of what happens in the CFA.

The lesson from this experience particularly, and from the redistribution of economic activity of the past 30 years generally, is that effective rural development initiatives must be based on and around the few islands of strength that exist in rural areas.

Rural development areas that were designed around strong rural trade centres/resource centres/manufacturing centres would offer a potential for rural economic development because they would build upon existing strengths and would complement the structure being created by market forces. Initiatives

focused on each rural community or some collection of only disadvantaged rural places are much less likely to succeed, both because they are starting with places that have limited potential and because they are working in opposition to very pervasive market forces. In Alberta, the number of rural communities with 5,000 plus populations, designated A, R/A, or R, number around 15 to 18, which is indicative of the logical number of potential rural development areas the suggested approach would imply.

Rural areas adjacent to metropolitan areas should be treated differently. They could logically be included within development regions centred on the metropolitan areas. Such areas would include all of the places designated as corridor communities.

The organizational structure needs to be modified as well. The structure required to effectively pursue rural development on a much larger regional basis would have to facilitate real collaboration to a much greater extent than is evident in existing structures. This collaboration could be fostered by the selective delegation of powers to these development areas. There are numerous activities that have service delivery areas that encompass several communities, but these areas are not sufficiently large or sensitive enough to warrant exclusive provincial jurisdiction. Organization for and promotion of regional economic development involving small and intermediate-sized projects are the obvious first areas of responsibility. But other functions that could be administered on a regional basis might include solid waste management; school, health care, and other infrastructure consolidation/expansion; water supply management; regional planning, zoning, and land use administration; revenue sharing/revenue diversification, etc. Making some (or all) of the provincial transfers to municipalities through a regional development authority would also help to foster a meaningful collaboration.

Further, consolidation of development areas would facilitate acquisition of the expertise necessary to knowledgeably pursue economic development initiatives. It is unrealistic to expect that sufficient expertise could exist in the plethora of cities, towns, villages, and special areas currently attempting to independently pursue economic development.

Whatever the precise form of the organization that emerged, it would need to be structured so that its administrative jurisdiction was commensurate with the complexity of the functions it was expected to undertake. In effect, the organization would become an Economic Development Authority, responsible to the province, and with a mandate to pursue a specific set of objectives in collaboration with those communities and rural areas within its geographic boundaries.

Appendix

Regression results are shown below. Both initial size and distance from Calgary are of the hypothesized sign and both are significant in the regression which includes all 14 communities (Equation 1a). When the three centres closest to Calgary are excluded, initial size remains significant but the distance variable is no longer significant, indicating that beyond the three omitted communities the labour market influence is weak. The intercept also shifts dramatically with the exclusion and is no longer significant. Distances from Olds or Drumheller did not turn out to be significant in any of the specifications tried, however, which may be due to interaction between the two distance variables, that is, the further a community is from Calgary, the closer it is to either Drumheller or Olds.

Model 1: $APG_i = \alpha + \beta_0 IS_i + \beta_1 DC_i + \epsilon_i$

where:

APG - Absolute Population Gain;
IS - Initial Size; and
DC - Distance From Calgary

Two sample sizes were used, resulting in two separate regressions. They were: 1a) all 14 communities, and 1b) 11 communities (all 14 less Beiseker, Irricana, and Strathmore).

The resulting estimated equations were (t-ratios appear in parentheses under the estimated coefficients):

$$APG_i = \underset{(3.30)}{1500.1} + \underset{(6.34)}{2.15\ IS_i} - \underset{(-4.94)}{22.79\ DC_i} \qquad (1a)$$

$$R^2 = 0.81, \text{ Adj. } R^2 = 0.77$$

$$APG_i = \underset{(-0.17)}{-65.3} + \underset{(4.19)}{1.04\ IS_i} - \underset{(-0.45)}{2.01\ DC_i} \qquad (1b)$$

$$R^2 = 0.82, \text{ Adj. } R^2 = 0.78$$

A modified Chow Test was used to test the hypothesis that the observations left out of the 11-community regression came from the model that generated that regression. This hypothesis was strongly rejected at the 1% significance level.

Modified Chow Test Results: $F_{3,8} = 14.755$

Model 2: $APG_i = \alpha_0 + \delta_{1i}\alpha_1 + \beta_0 IS_i + \delta_{2i}\beta_1 IS_i + \beta_2 DC_i + \delta_{3i}\beta_3 DC_i + \epsilon_i$

where: $\delta_{ji} = 1$ for Beiseker, Irricana, and Strathmore, 0 otherwise. The resulting estimated equations were:

$$APG_i = \underset{(-0.178)}{-65.324} + \underset{(3.78)}{4989.4\,\delta_{1i}} + \underset{(4.19)}{1.038\,IS_i} + \underset{(1.06)}{0.694\,\delta_{2i}IS_i} - \underset{(-0.45)}{2.013\,DC_i} - \underset{(-4.11)}{79.563\,\delta_{3i}DC_i} \quad (2)$$

$R^2 = 0.97$, Adj. $R^2 = 0.95$

Eqn. (3):

$$APG_i = \underset{(0.08)}{26.903} + \underset{(6.51)}{5996.9\,\delta_{1i}} + \underset{(4.93)}{1.137\,IS_i} - \underset{(-0.79)}{3.403\,DC_i} - \underset{(-6.45)}{93.304\,\delta_{3i}DC_i}$$

$R^2 = 0.97$, Adj. $R^2 = 0.95$

In these regressions, dummy variables are attached to the three corridor communities. In the first regression, the dummy variables for distance from Calgary and the intercept are significant as anticipated but initial size is not. This, too, is anticipated as there is no *a priori* reason to expect the corridor communities to differ from the other 11 in this regard. In the second regression the initial size dummy variable is dropped. Dummies for distance from Calgary and the intercept remain significant for the three.

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