BROKEN CIRCLE
OR
BREAKING NEW GROUND

A Final Report Based on the
Sustainable Rural Communities Research Project
Social Capital in Rural Ontario:
Opportunities and Impacts Related to
Municipal Restructuring and Changes in Service Delivery

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Preface

This Final Report is based on research findings from a project entitled *Social Capital in Rural Ontario: Opportunities and Impacts Related to Municipal Restructuring and Changes in Service Delivery.* Research activity took place in the 2000-2001 academic year and in conjunction with several other related initiatives conducted both here in Guelph as well as nationally and internationally. As required by contract, the Sustainable Rural Communities Program (SRC) received a formal final report for this research project based on the information available by December 31, 2000. The contract also stipulated that the authors produce a Final Report of a more general nature that will be useful to rural community residents and their representatives as well as policy advisors at the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). This document, entitled *Broken Circle or Breaking New Ground* meets that requirement and is offered here with the hope that its contents will be used to enhance rural Ontario communities in the future.

We appreciate very much the support received from a number of organizations and agencies, in particular:

- The SRC Program in the enhanced partnership between University of Guelph and OMAFRA[1]
- The Canadian Rural Revitalization Foundation (CRRF) and their New Rural Economy (NRE) Project[2]
- The Social Sciences and Humanities Research Council (SSHRC) project, Social Cohesion in Rural Canada[3]

We are also grateful to Professor Tony Fuller for his support, advice and guidance throughout the project and look forward to continuing collaboration. Our greatest debt is to the many rural community residents who were so generous with their time in answering questions and offering opinions during our conversations. This project and the related NRE and Social Cohesion research are providing opportunities for us as researchers to establish long-term relationships with groups within these communities, which we hope will continue to benefit them and us.

Copies of this report are available electronically at: http://www.uoguelph.ca/Research/

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Executive Summary

The title of this report: *Broken Circle or Breaking New Ground,* reflects the duality we found in rural Ontario communities faced with the consequences from past and on-going municipal restructuring and changes in government service delivery. For some, they are viewed very negatively as if the very connections holding their communities together are being broken one by one and leaving behind a situation that neither resembles the past they remember and value, nor offers promise for a healthy future. Others however were more positive about the changes, noting that their communities are now stronger with greater capacities to invest in long-term planning for the economy and environment and to make use of new technologies. We found evidence of new groups and alliances forming, often in response to the new conditions. The focus of the research is on social capital as one way to think about a community's social cohesion. In particular, we consider friendships, associations, and networks, number of voluntary groups, attachment to place, and level of trust as community assets for use in all aspects of community and individual life.

Data gathering and analysis took place from May1, 2000 to February, 2001. Interviews were conducted with 30 people in three sites, Carden, Tweed, and Usborne and formed the basis for the research. The following is a summary of the recommendations.

1. Despite many similarities among them, each rural community is unique in terms of its capacity for developing social capital and acting on it. A municipality, township, town, or village are not always the same as residents' sense of community. Nor do all voluntary organizations located in the same municipality support the same community. Programs, policies, and expectations must take these differences into account and accommodate them whenever possible.

2. Social capital increases the more it is used. All opportunities to bring residents together, to increase the network of relationships both within and without the community, and to build awareness of, and attachment to, the community should be acted on. Policy and programs should be reviewed in terms of their impact on such opportunities.

3. Rural residents are very practical about their communities and how the voluntary sector functions. They know "who does what" and why some things will work better than others. Their opinions should be sought directly and given precedence in policy and program formation regarding the voluntary sector.

4. While a more formal, bureaucratic approach to voluntary organization activity is sometimes useful and necessary for maintaining a strong group structure, efforts should be made to ensure it does not dominate the organization's ethos. "Community-good" issues have to remain at the heart of its voluntary sector.

5. As municipal governments increase in size and scale, representatives may be viewed as "professional politicians" with less interest in local community concerns and more interest in their own political careers. Such perceptions are harmful to the residents' sense of their communities' importance and to the value of their voluntary activity. To encourage a vibrant voluntary sector, local politicians need to be mindful of their effect on all aspects of community life.

6. Likewise professionalization in voluntary based services can lead to difficulties. In this case, combining paid and non-paid positions needs to be thought through carefully so that volunteers are not completing tasks that others are paid for.

1. INTRODUCTION

Rural communities rely upon social capital to sustain themselves and to encourage rural development. That is, they rely upon their skilled leaders, organizations, local governments, and businesses to work together to foster local networks, entrepreneurship, leadership, community infrastructure, access to capital, and autonomy over local issues. Current changes in rural Ontario municipal governments and in provincial and federal government services might be affecting this collective effort. Local leaders and community residents want to understand, evaluate, and monitor the impact of these changes so that they can take steps not only to offset any negative results, but also to take advantage of any opportunities that might arise.

Social capital is a relatively new term used to describe some aspects of social cohesion, namely the mutual relations, interactions, trust, and networks inherent in human communities. When these are put into action, that is, when people use these social resources to accomplish common goals, we speak of them as social capital.

Measuring social capital in communities is not an easy task. For some people, the level of social capital is understood in descriptive or qualitative terms; it is an intuitive sense of the community's strength when going after a desired outcome. Academics try to be more objective and have developed quantitative measures that can be applied across different communities for comparisons. Thus, places where many voluntary organizations host different community events can be compared to those where residents rely upon local government for the same purpose.

For our work, we adopted both approaches for determining the level of social capital in the research sites. When assessing social capital in quantitative terms we looked for structural elements (the number of voluntary organizations per person). When evaluating social capital in qualitative terms we focused on social processes in the community that could be observed (a history of working together for the community good). With these assessments, we have established a baseline for comparisons in the future when the effects of municipal restructuring and changes in service delivery have had time to take hold. Will the circle of community life be broken or will new ground be broken and giving new energy to a revitalized rural Ontario?

The purpose of this report is to make the results of the research widely available to all those interested in having viable rural communities in the future. Because municipal restructuring has occurred relatively recently, we followed two strategies in our work. One was to document current levels of social capital as described above. The other was to ask whether knowledgeable community residents felt municipal restructuring had or would have an impact on their own voluntary organizations and community and if so what is that impact. Similar questions were also asked regarding changes in service delivery.

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The balance of this report includes the following information. First there is a discussion of the framework used to guide the research followed by the methods chosen and information about the research sites. Second we provide the results of our study, including information from related work when applicable. Third is a section on opportunities and challenges, which leads into a final discussion of future considerations.

2. FRAMEWORK AND METHODS

Within this section, some details about the concept of social capital are presented to explain why the data gathering and analysis was carried out as it was. An overview of what we have learned about recent municipal restructuring and changes in service delivery in rural Ontario is also provided.

2.1 Social Capital: A Community Asset

The term social capital is used in a way similar to how the term capital is used in business. Capital is a term that reflects a company's assets, such as money and equipment, that are available for producing goods and services, which go on to generate more wealth. In communities, social capital is one way to think about a community's *social* resources. In particular, we can consider friendships, associations and networks, number of voluntary groups, attachment to place, and level of trust in a community as some of the resources that form a major asset for both the communities and individuals living in them to use. Since these aspects of social capital are interrelated, with each one feeding upon the others, this creates a process of producing and reproducing social capital. Of concern, however, is that this process can also be reversed, that is, as one element of social capital is eroded the others may also decline as a result.

Our definition of social capital is: " a resource embedded in social relations that facilitates co-operation and collaboration necessary for achieving desired outcomes". It is associated with participation by individuals and the creation of linkages among key institutions and actors both within and outside the community (see Figure 2.1). Such participation and linkages create a resource that can be drawn upon when needed. The extent of social capital within local institutions, and the potential deployment of social capital through institutions are critical aspects that enhance community and support economic development efforts.

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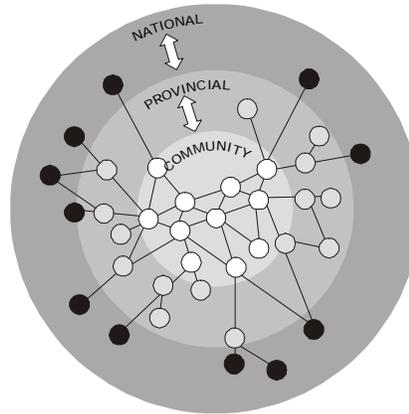**Figure 2.1. Social Capital as Networks of Relationships**

Figure 2.1 depicts a network of circles and lines representing webs of relationships that exist in the local community and move outward to regional, provincial and/or national levels (and vice-versa). Social capital exists at the community level where it depends on the micro-level input from individual participation in voluntary organizations (depicted in the inner-most relationships). It is also subject to constraints and opportunities provided by the quality of the support from various levels of government, which constitute the community's environment. The social capital embedded in voluntary associations (for instance, a youth club such as the 4-H) results from individuals participating in and contributing their energy and resources to 4-H activities. At the same time, the 4-H needs some basic support from other community groups and governmental agencies that can provide programming resources, guidance, and facilities. The assumption for this research has been that if and when the linkages between and among these various levels are weakened, social capital will be eroded.

2.2 Rural Restructuring

Municipal restructuring is not new to rural Ontario but the most recent efforts began in 1996 when the provincial government passed the *Savings and Restructuring Act* (Bill 26). The objectives of this initiative were to reduce the size of government, to make governments more efficient, and to increase the level of accountability. This was (and is to be) achieved by reducing the number of municipalities as well as the number of municipal politicians.

According to John FitzGibbon and associates who have done extensive research on municipal restructuring in Ontario[4], there are two views that underlie the push for municipal restructuring. The provincial government stated this is a necessary step to improve Ontario's ability to compete in the global economy. Critics, however, suggest that restructuring is a top-down manoeuvre to facilitate 'downloading' of services. Restructuring, in both views, is

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[4] Copies of these reports are available from the University of Guelph web site at
http://www.oac.uoguelph.ca/SRPD/municipal.html

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required to build capacity to respond to global pressures or as necessary to build capacity to support "an expanded range of locally delivered services".

FitzGibbon's study of the municipal restructuring process found that provincial government pressure was the primary reason that municipalities were restructuring. "Dealing with changes to government grants" and "changes to service responsibilities" were also important factors. "In nearly every municipality examined, politicians stated that restructuring was initiated in their municipality because there was a fear of the province stepping in and imposing a restructuring plan." However, the study also found that some municipalities were already discussing restructuring prior to the provincial government's Bill 26. Data available from Ontario's Ministry of Municipal Affairs and Housing show that there are 368 fewer municipalities and 1,782 fewer councilors today than there were in 1996 (Table 2.1).

Table 2.1. Number of Municipalities in Ontario

Date	Number of Municipalities	Number of Councilors
July 1996	815	4,586
January 1997	787	
January 1998	650	
January 1999	586	3,527
January 2000	571	3,457
January 2001	**447**	**2,804**

As of February 1, 2001
Source: Ministry of Municipal Affairs and Housing

2.3 Changes in Service Delivery

At the same time the municipal restructuring process started, the provincial government also initiated property tax reform, a restructuring of provincial grants, and a realignment of service delivery in Ontario. In December 1999, OMAFRA announced program changes to strengthen its focus on agri-food and rural priorities through a re-distribution of resources. These changes seek "to ensure growth in rural business and economic development in southern Ontario." The new delivery model centres upon Business Enterprise Centres providing support for entrepreneurs, community economic development groups, municipalities, and others in rural Ontario. As an outcome of reduced funding, financial support for these Centres had to come from trading off continued extension services.

According to OMAFRA's Business Plan 2000-2001, their aim is to "foster competitive, economically diverse and prosperous agriculture and food sectors and to promote economic development and job creation in rural communities." This, however, only serves communities indirectly by re-focussing the delivery of their "core business" through economic development. Ministry priorities include:

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- promote value-added agriculture, increased exports and an improved agriculture and food trade balance;
- encourage investment and economic development in Ontario's agriculture, food and rural sectors; and
- serve as a key point of access for rural southern Ontario residents for provincial economic development initiatives.

Their extension services focus upon working with key businesses, other ministries and other levels of government "to identify and reduce obstacles to current investment, as well as attract new enterprises to rural Ontario." In February, 2001, Premier Harris announced a program that strengthens the Ministry's mandate to promote economic development – and downplays the role of agriculture. The program includes: a business retention and expansion program to help overcome the barriers facing local businesses, keep existing jobs, and attract new ones; support to municipalities to upgrade their computer hardware and services; create new jobs and training opportunities through the Rural Job Strategy Fund and the Rural Youth Job Strategy; and, a four-year, $90 million initiative "to boost the competitiveness of the agri-food industry." This program also seeks to improve the global competitiveness of Ontario farmers by simplifying the farm tax rebate process and introducing a sales tax exemption to promote larger farming operations. However, the program also limits the rights of farmers to conduct their business vis-à-vis other rural residents by defining "normal farming practices" to prevent nuisance complaints about noise, dust, and odours arising from an agricultural operation.

2.4 Research Methods

As noted in the preface, research conducted for this particular project was included with on-going work for national and inter-national studies associated with the NRE Project. During 2000, several on topics related to social capital issues were conducted in the Ontario NRE sites. Those interviews provided a base for gathering data on our specific interest in the impacts from rural restructuring and changes in service delivery. Questions asked covered several areas that reflected characteristics of the community as a whole, including:
- the community's capacity for leadership
- the community's history of working together
- how things get done
- long-standing strengths and weaknesses,

In addition, specific questions were asked about the possible impacts, positive and negative, of municipal restructuring and changes in service delivery:
- Do you think that Municipal restructuring has affected (or will affect) your organization; your community?
- Do you think that recent changes in service delivery have affected (or will affect) your organization; your community?

Interviewees were asked specifically about recent changes in OMAFRA services and about the impact of these changes on both their community and on the organization in which they

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were involved. Secondary data from Statistics Canada supplemented the data from the interviews.
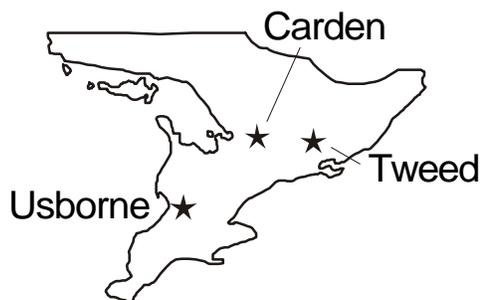
The interviews were conducted with volunteers representing a variety of organizations, including youth, recreation, arts and culture (including agricultural fair boards), religion, social services, health services, and service clubs, as well groups organizing community events. The interviewees were selected randomly from a list of organizations in each category. Attempts were made to interview three organizers of events. Altogether, thirty people were interviewed in the three sites. Each interview (based on an interview guide) took approximately forty-five minutes.

The individuals interviewed live in the three NRE sites in southern Ontario: Carden, Tweed, and Usborne. The latter two chose to restructure through mutual agreement. In both cases, amalgamation was a response to provincial pressures. However, as stated in an article in the local paper (*Tweed News*), doing it on their own was a "way to control their own destiny." The Village of Tweed amalgamated with two neighbouring townships (Elzevir and Grimsthorpe; Hungerford) to form a new municipality with Tweed as the centre. Usborne Township merged with a neighbouring township and town (Stephen Township and Exeter) effectively losing its character as a wholly agricultural municipality. Carden has gone through two rounds of amalgamation. The first time, they amalgamated with a neighbouring township (Dalton) on their own initiative. Because the two townships shared many services already and a history of working together, the transition was unproblematic and viewed positively. The second round of amalgamation (all of Victoria County became a single tier called the City of Kawartha Lakes) was the result of a recommendation given by a restructuring commission. It is less clear if the results are considered beneficial to Carden.

2.3.1 Site Profiles

The three sites participating in the research project represent different rural communities in southern Ontario (Figure 2.2).

Figure 2.2. Location of three southern Ontario sites

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Carden is located on the southern edge of Ontario's "cottage country." Lake Dalrymple, a central feature of the area, is known for good fishing. The village of Tweed is known as the mid-point of the shortest travel route between Toronto and Ottawa. Usborne, the third site, is dominated by rich farm landscape. The three sites are quite different in terms of type of economy, the level of residents commuting outside of the CSD (Census Subdivision) and the type of settlement as noted in Table 2.1.

Table 2.1. Sites Comparisons

CSD	Economy	Commuting	Settlement Type
Carden	External/ dormitory	Very high	Dispersed/ multi-mode
Tweed	Mixed/ services	Medium	Concentrated
Usborne	Internal/ agriculture	Low	Dispersed

Carden
In 1996, Carden, a former township of Victoria County, had a population of 803 permanent residents and 1,325 seasonal residents. After two rounds of amalgamations, it is now part of the City of Kawartha Lakes located on the southern edge of Ontario's "cottage country" where conditions are poor for farming (limestone platform). Carden has dispersed settlement patterns with pockets of summer cottages around small lakes. The northeastern population is drawn toward Orillia (30 km away) for jobs and services, while the southwestern population depends to some extent on Lindsay (58 km away).

Residents appear to have little community identification with Carden, using neighbouring centres for meeting their needs. Agriculture plays a modest to insignificant role in the community's economic activity. Soil type and other limitations are clearly important factors in this situation. Otherwise, residents are employed in construction, manufacturing, trade and other categories, with the majority (82.7 percent) traveling outside the site for work. A number of residents are those who have retired to the area, turning their previously

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summer homes into permanent residences.

There is increasing pressure in the Carden area to extract its aggregate resources. This, however, conflicts with the designation of the Carden Plain (an alvar) as an Important Bird Area and home to the Loggerhead Shrike. Both the landscape and the people of Carden are in transition from a rural, agricultural area with seasonal tourism to a resource-dependent (aggregates, lake, and alvar), bedroom community.

Tweed

The village of Tweed, now part of the Municipality of Tweed in Hastings County, had a population of 1,572 in 1996. It is located 38 km north of Belleville on a route between Toronto and Ottawa and acts as a service centre for the surrounding farm and rural non-farm community. Tweed's manufacturing industry and public service sectors have declined in the current economy which is mixed, based on tourism and retirement functions, as well as retail and agricultural services.

Tweed has vibrant and enthusiastic community representatives who are eager to improve conditions. Residents have a strong identification with the community and are willing to work hard at improving its economic development. Recent changes related to loss of services have created some stress for the community.

In 1996, Tweed had a relatively large percentage (23 per cent) of its population over 65 years of age. This contributes to the fact that employment income constitutes only 54.8 per cent of the village's total income while government transfer payments and other income made up approximately 43 per cent. Because the community is a village, there was no employment in primary sector; instead trade, manufacturing and other categories represent the main areas of employment. Statistics also reveal that 38 per cent of Tweed's labour force commutes out of the village for employment. For those that remain, self-employment, especially for males, is relatively high compared to national standards. Numerous opportunities for employment appear to exist in the village's private and public service establishments. Given that 122 of these have been identified, it appears that Tweed enjoys an important central role in its own economic and social maintenance.

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Usborne

Usborne Township, which had a population of 1,352 in 1996, is in southern Huron County and is dominated physically by a commercial farm landscape. Cash-crop and livestock operations had a total value of $34 million in sales in 1996 and provided employment for 40% of the workforce (one of the highest in the province and Canada). There is no town or village of any size in

Usborne. Most eastern residents rely on the adjacent town of Exeter for service and some retail needs; those on the west tend to travel to St. Mary's or London for services. Usborne's population, which does not have a strong community identification with the site, is best described as dispersed. The hamlet of Kirkton, home of the community centre, provides a location for social activities for much of Usborne and parts of neighbouring municipalities.

Agriculture is of primary importance to Usborne's economic and community activity. Also significant for employment and income generation are the backward and forward linkages (both indirect and direct) that agriculture has into other sectors. It has a first-rate bio-physical base for farming operations with soil capability Class 1 land in close to 70 per cent of the township. Also relevant is its position among the top five per cent of Canada's farm land in terms of the agro-climatic resource index. Although the number of census farms has declined by 34 per cent from 1971-1996, the farm land area has remained stable over the same time period. In fact, the area under crops has increased 10 per cent (1971-1996), constituting 86 per cent of the farm land in 1996. These conditions reflect a more intensive use of the farmland resource.

3. RESULTS

Research findings are presented in two sections. The first includes information on the scores for social capital in each site.[5] The second and more detailed section is comprised of the data analysis for this project in particular.

3.1 Social Capital Scores

Table 3.1 Structural and Experienced Social Capital Scores in Rural Ontario Sites

Site	Structural Score	Experienced Score
Carden	3.1	2.0
Tweed	4.0	2.5
Usborne	3.0	4.0

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[5] For more detailed discussion of how these measures were made please contact the author(s) for the related document, *Profitable Associations: The Role of Social Capital in Rural Economic Development*.

Carden has the lowest scores for both types of social capital, which is in keeping with how the site appears to outsiders. There is little sense of either social or even physical cohesion apparent in Carden where settlements are clustered in distinct groupings around different lakes and former hamlets. Residents in these areas within Carden likely share a sense of connection with their immediate neighbours rather than with the wider locale. Distinct topographical features mirror this separation with more spread out aggregate operations and sparse farming present on the alvar plain area contrasting the cosy appearance of cottages (most now winterized and permanent dwellings) beside tranquil lakes. Generally, the commuting population and lack of media are likely related to the lack of leadership and attachment to the community.

Tweed reflects a somewhat divided case of social capital where many structural aspects of social capital are favourable but they do not appear to correspond with a rich social capital experience. This appears to reflect social values that embrace private rather than collective interests. As noted above, this is reflected in the strong group involvement, yet lack of collective accomplishments. This will be explored further in the next section on economic development.

Usborne residents, by contrast, seem to have ample social capital in both realms but especially experienced. The generally prosperous agricultural area seems to provide a strong base for social networks, mutuality, and trust likely formed around communities of interest (farming) and kinship ties that have a long history in the area. The informality of such relations contributes to the lower structural score, primarily with respect to the number of voluntary organizations, which may, in this case, not reflect the level of participation.

Because municipal restructuring and alterations to service delivery have been fairly recent in rural southern Ontario, more time needs to pass (at least five years) before changes in these indicators could be expected. This research project in conjunction with other work in the sites, has established a baseline for the year 2000 which can be used for future comparisons.

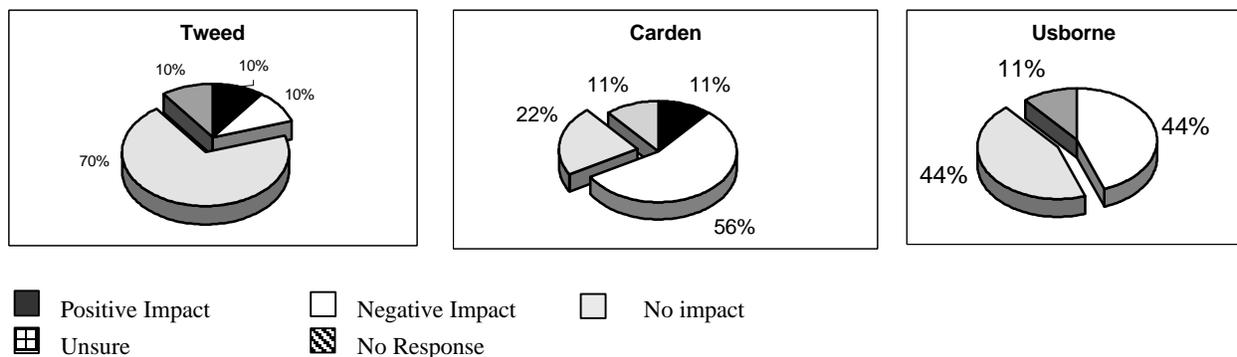### 3.2 Effects of Municipal Restructuring on Voluntary Organization

Almost half of all interviewees stated that municipal restructuring had no impact on the organizations with which they were involved (Chart 3.1). In general, municipal restructuring appears to be less of a concern to members of voluntary organizations than we had expected. Still, we found that some voluntary organizations might be weakened while others might be strengthened by such changes. Positive attitudes resulted from the advantages of dealing with fewer and bigger committees as well as with municipal bodies that have adopted the "think big," modern approach. Concerns about municipal restructuring centred on user-pay, loss of facilities, and loss of local contact and understanding.

Chart 3.1. Impact of Municipal Restructuring on Voluntary Organizations – All Sites
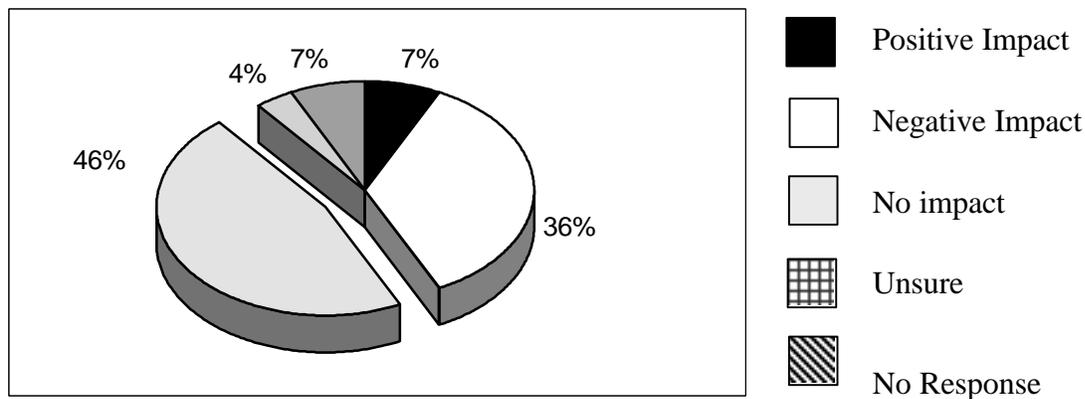
We found that, with each of the questions, the combined results tend to hide differences among the three sites. Chart 3.2 shows those differences with respect to the answers about the impact of municipal restructuring on voluntary organizations. The most negative views occurred in Carden where current uncertainty about future amalgamations is having an impact on community organizations. However, there were some in Carden who feel that getting bigger means better decision makers – and improved chances of having applications approved. In Tweed, the perception of 'no impact' dominated responses. In Usborne there was an even split between no impact and negative impact; no one in Usborne cited a positive effect of municipal restructuring on voluntary organizations. On the negative side, forthcoming user fees were expected to force some organizations "to get more people involved in fundraising"; others expressed concern "about continued funding support."
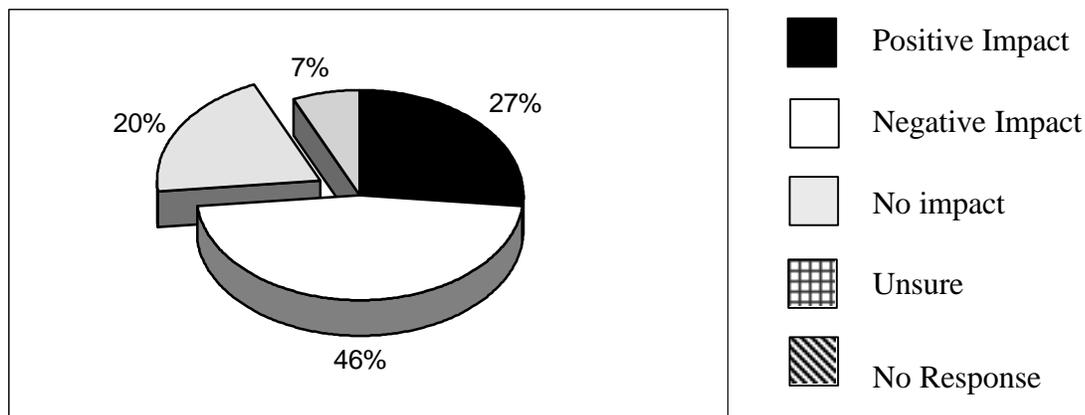
Chart 3.2. Impact of Municipal Restructuring on Voluntary Organizations – By Site

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3.3 Impact of Municipal Restructuring on Community

Almost half of all respondents reported a perceived negative impact of municipal restructuring on their community (Chart 3.3). In the words of one interviewee, "So many little things are being closed that made the community a community."
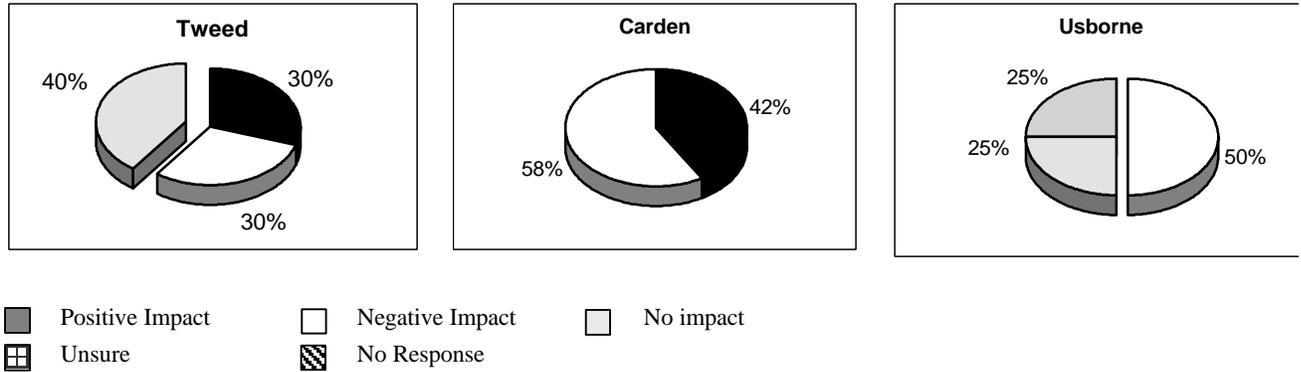
Chart 3.3. Impact of Municipal Restructuring on Community – All Sites

A site-by-site comparison, once again, reveals significant differences among responses (Chart 3.4). As noted elsewhere, each site is at a different stage of municipal restructuring and each is experiencing a different type of restructuring. Generally, the varied responses indicate the multiple impacts of change. Carden, in particular, illustrates the dichotomous nature of change: bigger may be better, but at what cost? When Carden residents were asked about the effect of municipal restructuring on their community, responses were split between positive and negative – there was no in-between. In Carden, municipal restructuring presents a significant threat to the community centre. There is also the sense that they would "lose local contact and local understanding" within the bigger, more distant government. At the same time, however, the larger municipality provides a stronger planning body that might achieve a "balance to get economics and conservation more broadly viewed." Also, the larger municipality "can handle downloading of services." This good-bad duality of change was experienced to lesser degrees in the other sites.

Only a few months into its new existence a "town versus country" issue emerged within South Ward (Usborne) when the new municipality tried to be put through by-laws to limit farm expansion. Rural-urban differences were also anticipated in Tweed, however this does not appear to have created any major problems.

Chart 3.4. Impact of Municipal Restructuring on Community – By Site

Tweed
40% 30%
30%

Carden
42%
58%

Usborne
25%
25% 50%

Positive Impact   Negative Impact   No impact

Unsure   No Response

3.4 Impact of Changes in Service Delivery on Voluntary Organizations

Interviewees were also asked about the impact of changes in service delivery. Among all the sites, just over half of the respondents indicated they felt no impact of changes in service delivery on their organization (Chart 3.5). This is likely because some organizations have little formal connections with government service delivery. One-third of respondents, however, expressed concerns about negative impacts on their organizations.

Chart 3.5. Impact of Changes in Service Delivery on Voluntary Organizations – All Sites

11% 4%
32%
53%

Positive Impact

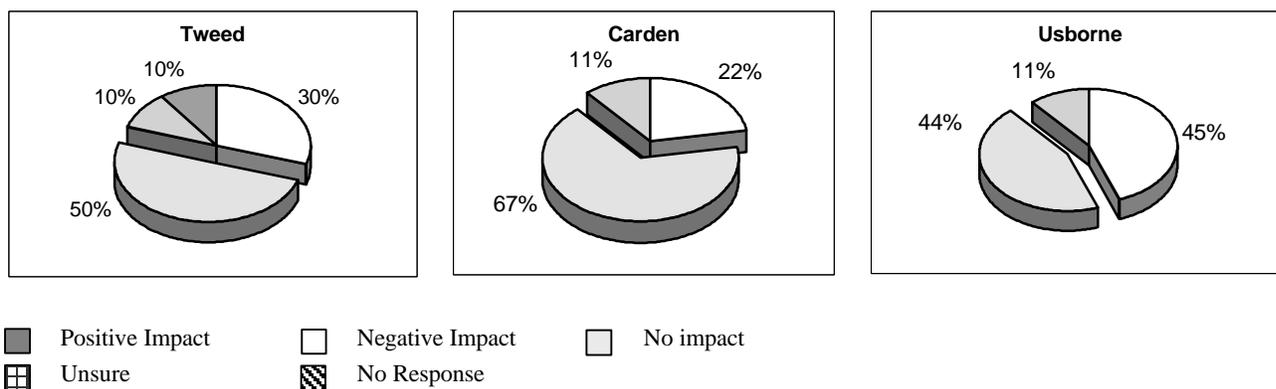Negative Impact

No impact

Unsure

No Response
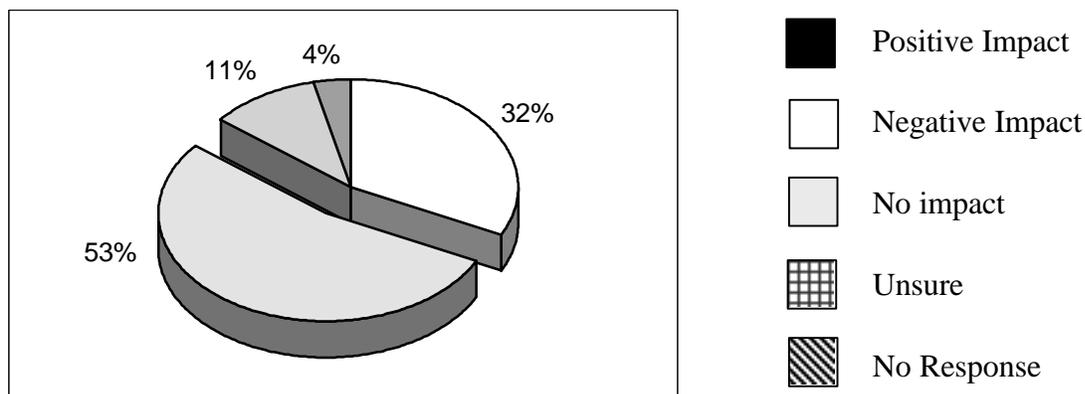
Once again the combined scores hide differences among the sites (Chart 3.6). In Carden, two-thirds of the interviewees cited no impact on their organization with regard to changes in service delivery which is consistent with Carden's relative isolation from its municipal centre. In Tweed, the reason for no impact stems from a position of strength, rather than

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weakness: "There is enough support from all of the community so that government support [for our organization] is not a major issue." On the other hand, one organization was established in Usborne "as a direct result of provincial government funding cuts."

Whenever relevant, interviewees were asked specifically about OMAFRA's changes to extension services. Usborne is the most likely site to feel some impact from the re-organziation since it is the most agricultural of the three sites. Here, almost half of the interviewees expressed concerns about negative impacts of changes in service delivery on their organizations. In particular, uncertainty about future OMAFRA decisions and continued cutbacks were cited. Further, none of the interviewees expressed positive comments about changes to delivery of services. Impacts of changes made by OMAFRA were felt at the community level, also (section 3.5, below).
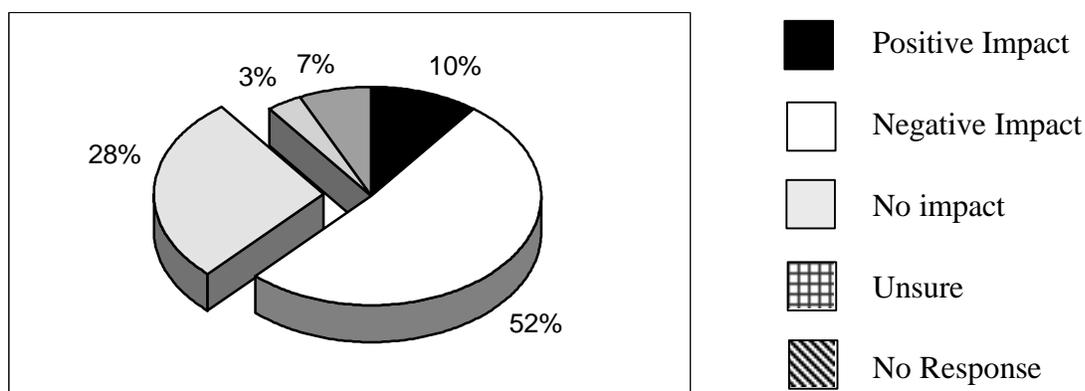
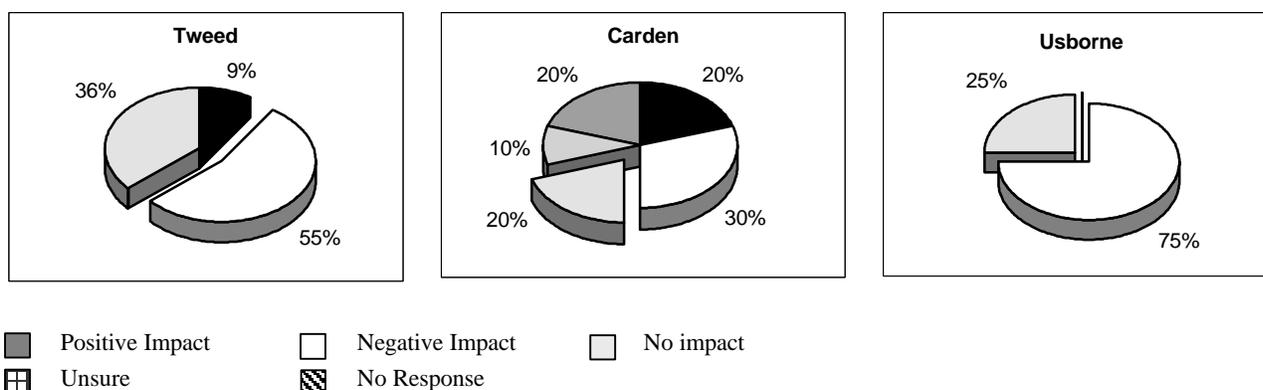**Chart 3.6. Impact of Changes in Service Delivery on Voluntary Organizations – By Site**

- ▨ Positive Impact   □ Negative Impact   ▢ No impact
- ⊞ Unsure   ▨ No Response

3.5 Impact of Changes in Service Delivery on Community

More people indicated a negative impact of changes in service delivery on their community (Chart 3.7) than they did about its impact on their organization. This may reflect an attitude expressed by one respondent who stated that "more of the costs are being pushed to the grass roots." The results reveal genuine concern about how the community as a whole would be affected by service delivery changes. Communities losing offices face the double disadvantage from lack of service and loss of an important employer/economic factor. The loss of agency and resulting loss of employees weakens membership in community activity. The differences among sites are shown in Chart 3.8.

Chart 3.7. Impact of Changes in Service Delivery on Community – All Sites

Legend:
- Positive Impact
- Negative Impact
- No impact
- Unsure
- No Response

Pie chart values: 10%, 7%, 3%, 28%, 52%

Chart 3.8. Affect of Changes in Service Delivery on Community – By Site

Tweed: 9%, 55%, 36%

Carden: 20%, 20%, 10%, 20%, 30%

Usborne: 25%, 75%

Legend:
- Positive Impact
- Negative Impact
- No impact
- Unsure
- No Response

It is interesting to note that some of the strongest statements about the resiliency of community arose from the question about impact of service delivery changes on organizations. One respondent stated that communities are threatened by the changes in service delivery because "too many parts of the circle [are] broken." The strength of a community, however, is also a counter to this threat. As one respondent noted, "It would be very hard to run the place without the volunteers given the cutbacks." Thus, we found that changes in service delivery threaten community, but stronger communities may have the ability to insulate it from such impacts. A third perspective on the impact on community of changes in service delivery is that such changes may lead to a "professionalization" of services where people may be less willing to volunteer if someone else is getting paid to do the same job. In some cases, such professionalization means the informal networks for genuine interest and support may disappear.

The negative impact of changes in service delivery was felt most by residents of Usborne. As noted, Usborne stands to lose the most from changes to OMAFRA services because it is the most agricultural site. Three-quarters of all Usborne respondents expressed negative

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concerns. "The lack of [OMAFRA] involvement definitely had an impact, not only on agriculture but on society as well." Further, respondents felt that OMAFRA "took too much away from us" and that "we can't talk to someone about farming business; we have to pay for it now. It's more or less privatized."

More than half of Tweed interviewees also expressed negative opinions about changes in government service delivery. Such a response is understandable as well, because of the relatively recent loss of major ministry offices including the Ministry of Natural Resources .

4. DISCUSSION: OPPORTUNITIES AND CHALLENGES

The voluntary sector can be described as the fabric of rural communities, meeting the need for services locally in the absence of private sector or public sector delivery of services. As an element of civil society, the voluntary sector increasingly is an important vehicle of government policy for building community capacity and fostering entrepreneurship and economic development. However, the ability of the voluntary sector to service rural community needs is subject to many pressures. The NRE national study on voluntary organizations[6] notes that there has been an increasing dependency on volunteer-based activities to fill the gaps from reduced government service provision while, at the same time, organizations face membership and funding challenges.

Such impacts are evident in Ontario. The Reed and Howe Study[7] states that voluntary organizations in the province are in a state of crisis, dealing with "pervasively high levels of change, stress, uncertainty, and discouragement." As a result of change and continued pressures, members of smaller voluntary organizations feel more vulnerable than they did five years ago and representatives of one in four voluntary organizations surveyed by Reed and Howe fear for the very survival of their group. This, in turn, affects rural communities as voluntary organizations compete with each other for volunteers and donations. The costs to communities include "under-service, a reduction in community integration, and a growing sense of isolation among those few agencies that remain in smaller communities." For some of those interviewed during our research, these concerns were also important and suggest that rural restructuring has not improved the situation, nor will it.

Underlying these issues and the general effects of restructuring, there will be differences among communities that influence their response to change. Amid the constant struggle with internal issues, the simultaneous possibilities of both positive and negative effects of rural restructuring underpins the question raised in our title**: Is the circle of community relations broken, or are communities breaking new ground for a better future?** As noted in the results, our research uncovered instances where some circles might be weakened by the changes that have taken place, while others appear to be stronger. Some organizations

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[6] *Voluntary Organizations in Rural Canada, Final Report*, available at: http://nre.concordia.ca/
[7] This study was published as part of a series of reports of the *Nonprofit Sector Knowledge Base Project*. The reports are available from Statistics Canada's web site (www.statcan.ca).

emerged as a direct result of changes in government service delivery; at the same time the number of volunteers required to do fundraising also increased, creating stress.

A further question now needs to be addressed. For those communities where re-building of the voluntary sector is occurring, we need to know **what forms the re-building is taking and whether the new style of voluntary organization will affect levels of social capital.**

The Reed and Howe study has some useful observations to address these questions based on its examination of the voluntary sector in Ontario.[8] They found that under recent pressures for change, voluntary organizations altered:
a) the services provided;
b) their operating principles; and,
c) how they organize themselves in order to carry out their mission.
Reed and Howe noted that the organizations appear to have compromised the "idealism-based ethos" of the voluntary sector usually found in its high priority on responding to community needs or creating social good, working co-operatively, and relying largely on the involvement of lay people and community-based action. Instead, they concluded that voluntary organizations are becoming more formal and operating "more and more on the template of large business firms" at the expense of deep personal connections to their community.

Based on their analysis, we have categorized the responses by voluntary organizations in terms of three possible focuses: enhancing the social good, operating as a business, and other. Table 4.1 summarizes the results.

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[8] The focus of the Reed and Howe study was community-based organizations that use volunteers and respond to social needs. They excluded sports and cultural organizations and such institutions as universities, churches, and hospitals. The study included rural and small urban communities as well as major centres in Ontario.

Table 4.1. Responses from the voluntary associations in three sites

	Type of Response		
Site	Social Good	Business	Other
Carden	**Recreation**: program for young mothers started in the absence of services; provided young parents a chance to meet and for children to play with other children from the community; run on donations **Environment**: event started out of general interest in local bird population; now an annual event **Arts and Culture**: group started "to preserve the history of the community for future generations"	**Environment**: local cottage associations formed a larger group to formally represent interests as a counter to quarry development **Recreation**: volunteer group was almost bankrupt twice; "now run more like a business." **Environment**: specific location formally designated as Important Bird Area will help to protect it	**Event**: want to make event bigger; to link the resort with the community centre **Arts and Culture**: group ceased to operate because of volunteers' lack of time
Tweed	**Arts and Culture**: expansion of programs and physical plant; placing a high priority on local cultural assets and volunteerism; a direct strategy to decrease dependence upon external resources; relies largely on the involvement of lay people and community-based action. **Arts and Culture**: membership is getting old – would like to start a junior historical society **Arts and Culture**: membership is growing rapidly; very successful; direct outcome of changing social interests **Economic Development**: BIA and Chamber had failed because of lack of co-operation; new commission formed without the formal structure, more diverse membership	**Health Services**: formally re-organised and rationalized programs (in response to budget cuts); more partnerships with external agencies; joint fundraising with other groups. **Sports and Recreation**: increased formality of organization (volunteer to paid staff) after receiving government funding to upgrade and maintain services	**Social Services**: in process of starting up a fundraising group to address chronic funding problem and to promote it **Sports and Recreation**: privately owned by membership; trying to negotiate lower tax rate with municipality
Usborne	**Arts and Culture**: "strengthened our sense of rallying together … had to be stronger and more committed to fight for our values"	**Education**: parents group formalized its organizational structure to raise funds for the school as a direct result of funding cuts. **Religion:** amalgamated two churches; now closing one church and blending congregations	**Arts and Culture**: introduce new activities to events to attract more visitors **Youth**: now charging a membership fee

This summary indicates two important things. First, the three communities in this study are actively responding to the stresses they encounter; voluntary associations are not petering out, nor is the commitment from many residents. Second, the types of responses are not all towards the formal large-business style, in fact there is strong evidence that the social good of these communities matters even more. With this sense of renewal (and in some cases, resolve) there is reason to be optimistic about future levels of structural social capital measured in terms of voluntary association activity. However, we are cautious in terms of

making the same claims for the future for social capital as experienced. A great deal of uncertainty persists in the sites, not only about how they can deal with the challenges from amalgamation but also about economic, environmental and social-political factors beyond their control.

5. CONCLUSION AND RECOMMENDATIONS

We feel this report has provided a good sense of how municipal restructuring and changes in service delivery are viewed in terms of their effect on social capital for three fairly typical rural Ontario communities. As our title indicates, there is no doubt that something has been broken or disturbed. The essential question is what will come out of that situation. Will it be a matter of disintegration, renewal, or both? Our analysis also includes some basic scores for social capital that can be used for comparisons at a future date so that we can address that question more thoroughly. For the communities forming the basis for this research, at least five years must pass before any definite answers can be provided. In the meantime, we offer the following list of recommendations for rural communities and policy and program officials concerned about the welfare of rural Ontario.

- Despite many similarities among them, each rural community is unique in terms of its capacity for developing social capital and acting on it. A municipality, township, town, or village are not always the same as residents' sense of community. Nor do all voluntary organizations located in the same municipality support the same community. Programs, policies, and expectations must take these differences into account and accommodate them whenever possible.

- Social capital increases the more it is used. All opportunities to bring residents together, to increase the network of relationships both within and without the community, and to build awareness of, and attachment to, the community should be acted on. Policy and programs should be reviewed in terms of their impact on such opportunities.

- Rural residents are very practical about their communities and how the voluntary sector functions. They know "who does what" and why some things will work better than others. Their opinions should be sought directly and given precedence in policy and program formation regarding the voluntary sector.

- While a more formal, bureaucratic approach to voluntary organization activity is useful and necessary for maintaining a strong group structure, efforts should be made to ensure it does not dominate the organization's ethos. "Community-good" issues have to remain at the heart of a community's voluntary sector.

- As municipal governments increase in size and scale, representatives may be viewed as "professional politicians" with less interest in local community concerns and more interest in their own political careers. Such perceptions are harmful to the residents' sense of their communities' importance and to the value of their voluntary activity. To encourage a vibrant voluntary sector, local politicians need to be mindful of their effect on all aspects of community life.

- Likewise professionalization in voluntary based services can lead to difficulties. In this case, combining paid and non-paid positions needs to be thought through carefully so that volunteers are not completing tasks that others are paid for.

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