

Exploring the Diverse Landscapes of Hidden Rural Poverty

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Introduction

Communities across northern BC have been exposed to mounting pressures stemming from fluctuating commodity prices, the Mountain Pine Beetle epidemic, social and economic restructuring, job losses, and poor conditions on Indian Reserves.

Despite pressures, there is no national or provincial poverty strategy, and little research has explored the complex underpinnings of rural poverty in Canada. This presentation explores the spatial relations that drive coping strategies around rural poverty.

Outline

- Defining Rural Poverty
- Resource Towns
- Key Issues
 - Power and exclusion
 - Infrastructure
 - Institutional barriers
- Future Research Directions

The work presented in this presentation represents the early stages of a project that is being developed to examine rural poverty in northern BC. We begin by reviewing the unique characteristics of rural poverty.

Using data from the 2006 Census, we then explore who is at risk for living in poverty in resource towns that are typically known for high paying jobs. This is followed by a discussion of key issues that drive rural poverty, including exclusion, power, infrastructure, and institutional barriers to addressing rural poverty. Finally, we will identify some future research directions to study rural poverty in northern BC.

What is Rural Poverty?

- Material and social deprivation
- Hidden poverty
 - Poverty households are not clustered together
- History of low-skill employment
- Greater difficulty commuting to nearby places for employment
 - More likely unemployment will last longer

Although there is significant debate, researchers, such as Woods (2005) and Commins (2004), have promoted material and social deprivation as two long standing components to poverty. Material deprivation can be experienced through a lack of income, hunger, inadequate and unsafe living conditions, and lack of education. Social deprivation stems from social exclusion or the inability to exert influence or control over decisions that impact one's quality of life.

Most research related to poverty is focused upon urban areas. Over the past decade, however, researchers have attempted to draw more attention to the unique context and diverse landscapes of rural poverty – a context and landscape that will require its own set of flexible policy responses.

Most notably, Cloke (1997), Johnsen, (2003) and May (1994) found that rural poverty tends to be ‘hidden’ as households living in poverty are not clustered together. Some have turned to rough sleeping through couch surfing of friends or relatives or in agricultural buildings, abandoned vehicles, or even railway stations. Rural and small town places have a history of low skill employment that has been challenged with labour shedding technologies and an increased demand for more skilled labour.

Furthermore, due to the isolated nature of some resource towns, commuting to nearby places for employment is not really an option. The result is that unemployment is likely to last longer as residents search for employment elsewhere or wait for economic recovery.

Resource Towns I

Typically high paying resource jobs

- Forestry
- Mining

Oil and gas

It may be surprising that rural poverty is even an issue in northern BC. Afterall, northern BC consists of many resource industry towns that offer high paying jobs in forestry, mining, and oil and gas.

Average Income (2005) 15 Years +

Fraser Lake	\$52,389
Fort Nelson	\$48,072
Mackenzie	\$42,646
Kitimat	\$41,936
Vancouver	\$36,605
BC	\$34,519

Source: Statistics Canada 2006

For example, in 2005, Fraser Lake, Fort Nelson, Kitimat, and Mackenzie were amongst the highest income communities in BC. The work forces in these towns consist largely of unionized labour and high paying resource sector jobs.

Resource Towns II

- Economies in transition
- Supporting service sector
 - Retail, tourism, finance, education, etc.
 - Lower wages
 - Part-time employment
- Indian Reserves
- Single population
- Aging population

However, as a result of restructuring, the economies of some small places, such as Valemount, have diversified by expanding their service and tourism sectors and are no longer dominated by the resource

sector. These places have service sector jobs in education, retail, tourism, finance and business, transportation, and others. Service sector jobs tend to offer lower wages and part-time employment.

Even within this context, a number of disadvantaged groups can exist. A number of Indian Reserves are located adjacent to resource towns with Aboriginal residents commuting in search of employment and access to services. Single individuals have also been attracted to resource towns in search of employment. There is also an aging population in northern BC with more seniors living on limited incomes.

Average Income (2005) 15 Years +

Vancouver	\$36,605
BC	\$34,519
McBride	\$28,367
Hazelton	\$24,219
Gitanmaax	\$17,212

Source: Statistics Canada 2006

The diversity of the economic landscape in northern BC is demonstrated in this slide, as communities with economies in transition or those with predominantly service sector employment, such as McBride, and First Nation communities, such as Gitanmaax have average incomes that fall below provincial averages.

Measuring Low Incomes

	Before-Tax LICOs for 2005		
# of people	Rural areas	Less than 30,000	Less than 100,000
1 person	14,303	16,273	17,784
2 persons	17,807	20,257	22,139
3 persons	21,891	24,904	27,217
4 persons	26,579	30,238	33,046
5 persons	30,145	34,295	37,480
6 persons	33,999	38,679	42,271
7 persons	37,853	43,063	47,063

Source: Low Income Cut-Offs for 2005 and Low Income Measures for 2004, by Statistics Canada, 2006. Ottawa: Statistics Canada.

After much debate, important questions remain about how rural poverty should be measured. There is no defined poverty line in Canada. However, low-income cutoffs have been used as one measure by Statistics Canada to explore poverty. It is understood as the threshold by which families spend a higher proportion of their income on basic necessities. This threshold is based upon a 20% difference between low income and average household expenditures.

Based on a family expenditure survey, if the average family spends 43% of its income on basic necessities (such as shelter, food, and clothing), then the low income cut-off would be established 20% higher at 63%. In rural and small town places, the low income cut-off begins at just over \$14,000 for a single person. The low income cut-offs for small places are less due to the anticipated lower housing costs.

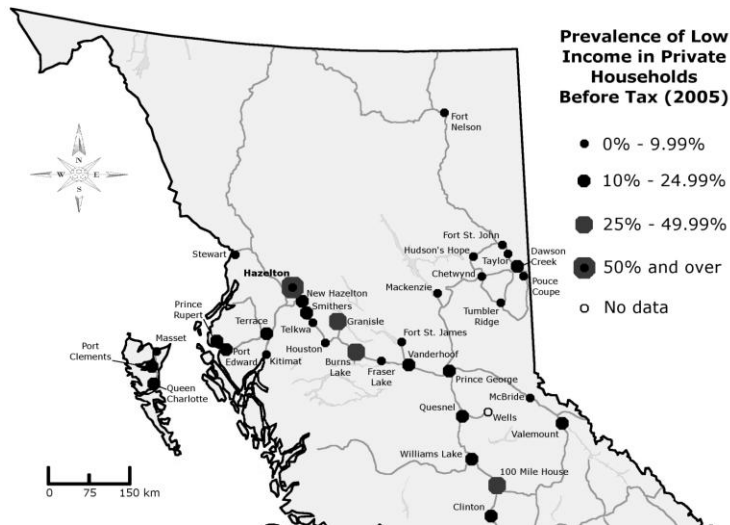
Exploring Poverty in Northern BC

- Income

- Prevalence of low income
- Part-time income
- Unemployment
- Education

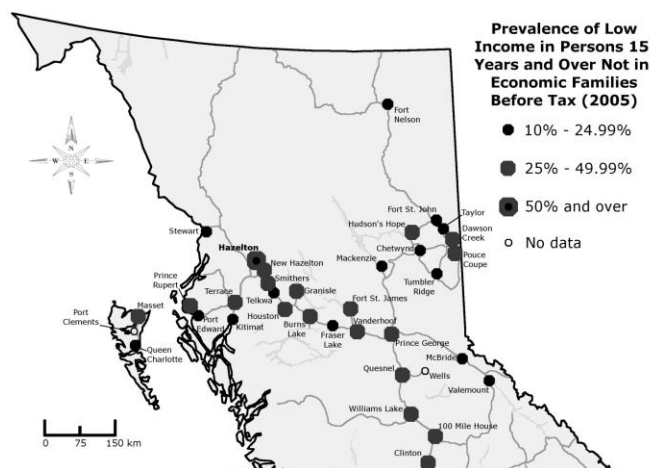
In this next section, we use measures, including the LICO, part-time income, unemployment, and education levels to explore who is at risk for living in poverty in northern BC. For our purposes, the boundaries of northern BC coincide with UNBC’s service region.

Prevalence of Low Income I



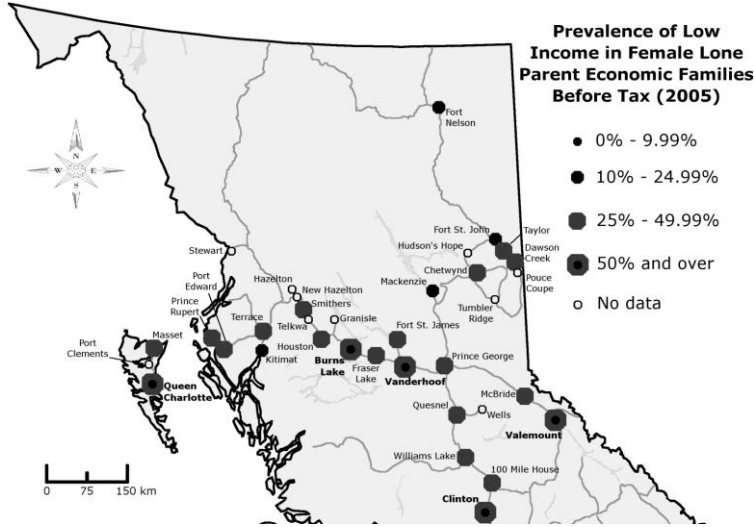
Low incomes combined with high debts and limited savings can restrict options available to households to respond to social and economic restructuring pressures and rising costs of living. This figure depicts the prevalence of low incomes in private households in 35 communities in northern BC. It reveals that less than 25% of the population in most of these communities have low incomes as indicated by statics Canada’s low income cut-off measures.

Prevalence of Low Income II



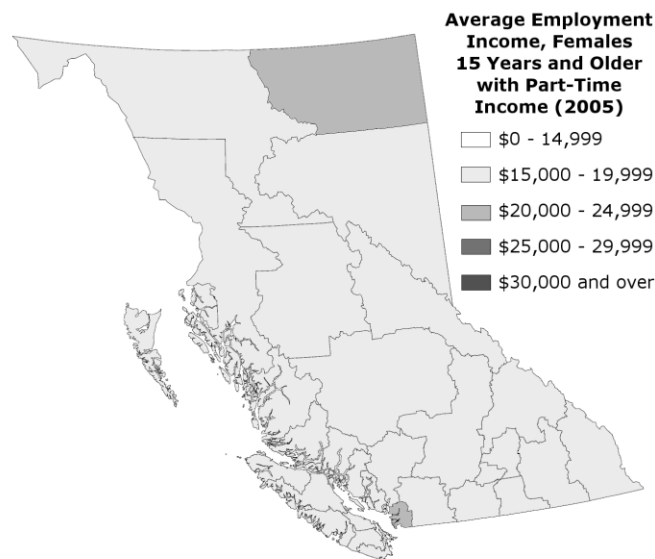
However, when we explored different sub-groups within the populations, we found that unattached individuals were more likely to be living with low incomes. For the most part, the medium sized dots on this slide indicate that between 25 and 50 percent of the single population had low incomes. A key group in this population is older women living alone.

Prevalence of Low Income III



Secondly, we found that female lone parent households were particularly vulnerable to be living with low incomes. In fact, there were five communities, including Queen Charlotte, Burns Lake, Vanderhoof, Clinton, and Valemount, where at least 50% of female lone parent households had low incomes. Such information is important as it can provide adequate direction for targeted programs in these places.

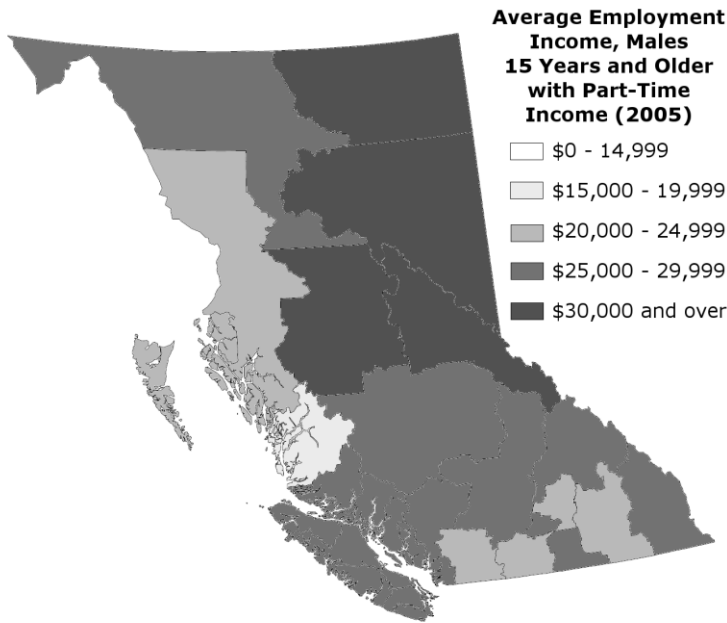
Part-time Income I



Part-time employment has imposed limits on household capital and disposable income. This has particularly been the case for women who are more likely to occupy part-time or low wage service sector jobs. With the exception of Metro Vancouver and the Northern Rockies, data in this figure reveals that

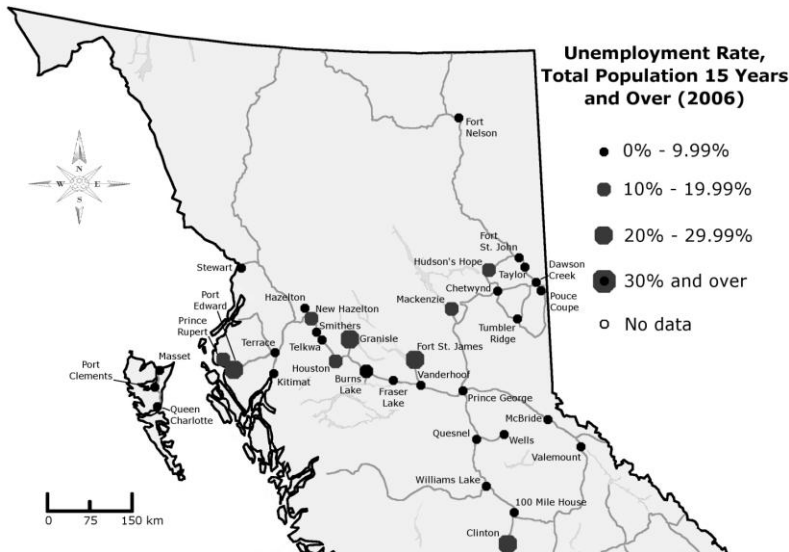
women working part-time in BC earn incomes between 15 and 20,000 dollars, an amount that is just above the low income cut-off.

Part-time Income II



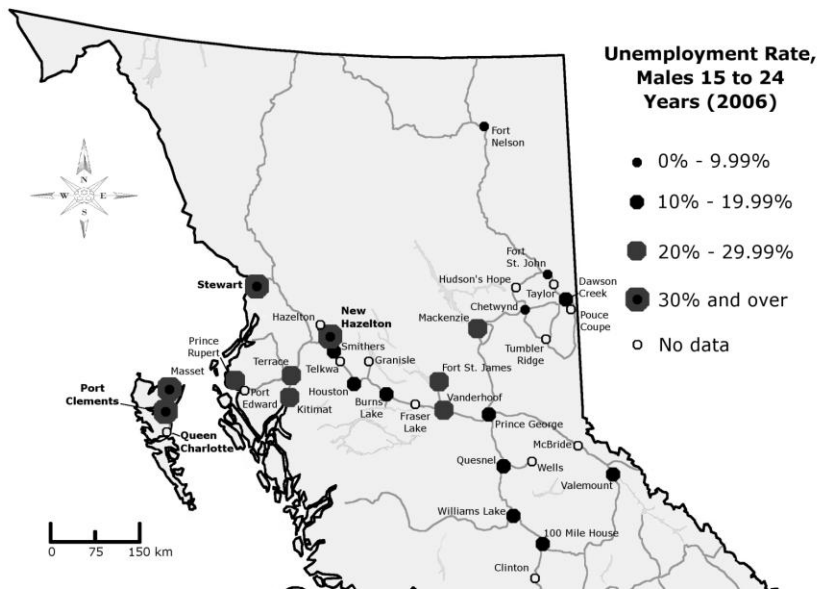
By comparison, there are a number of regional districts in northern BC where men working part-time earn double what women make working part-time. While a clear gender division in the workplace has been a historic marker for resource industry towns, the legacy persists through these measures of income.

Unemployment I



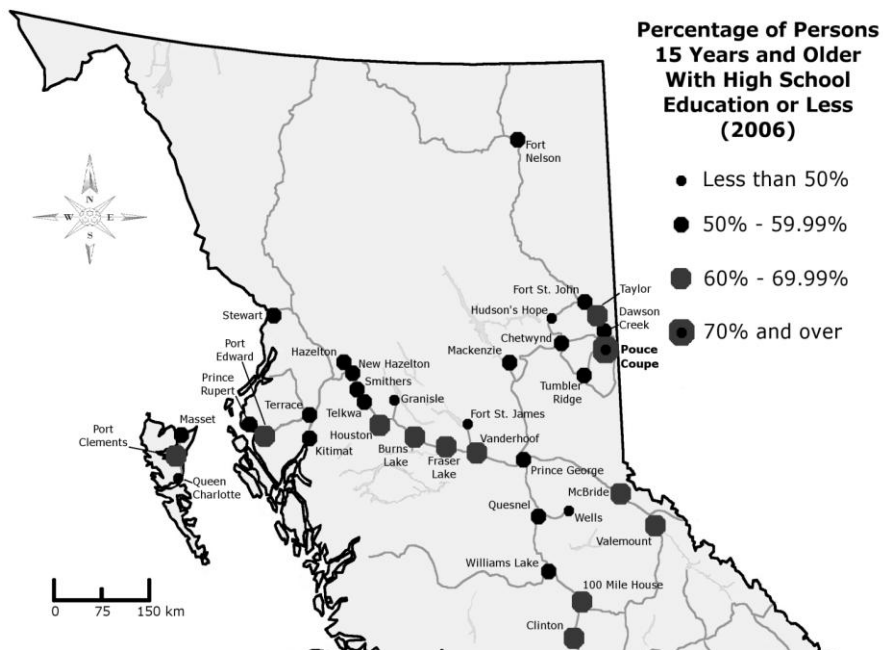
Unemployment can exacerbate household stress. Researchers, such as Raphael, also suggest that the longer one remains unemployed, the less likely they will be able to escape poverty. In 2006, almost one-third of these communities in northern BC had an unemployment rate above 10%. This is significantly more than the provincial unemployment rate of 6.0% for the same year.

Unemployment II



When we explore sub-groups of the population, we found that unemployment rates were particularly high for males between 15 and 24 years of age. This is not surprising as previous research indicates that younger residents are amongst the first to be laid off during restructuring periods.

Education



Historically, the benefits of post-secondary education have been undervalued as resource sectors have typically involved low skill and high paying jobs. Unfortunately, lower education levels can impede a person's ability to adapt to the emergence of a high skilled job market.

Roughly 48% of BC residents have only completed grade school or high school. In one-third of northern BC communities, this increases significantly as approximately 60% or more of residents have no post-secondary education.

Key Issues

- Social Inclusion / Exclusion
- Power Relations
- Physical / Social Infrastructure
- Institutional Barriers

Combined, these factors demonstrate some of the complexity to the causes of poverty. So how do we understand these issues?

Drawing upon literature largely from the UK and the US, there are four key themes that drive poverty in small places. These include processes of social inclusion and exclusion, power relations, availability of physical and social infrastructure, and institutional barriers to responding to rural poverty.

Social Exclusion

- “Processes that deny people the opportunity to participate in common activities in society”
- Limited support networks
- Limited resources limits participation
 - Economic, educational, political, and social activities

Social exclusion has been defined by Raphael (2007) as “processes that deny people the opportunity to participate in common activities in society”. Social exclusion can be reinforced by the absence of support networks through family, friends, or neighbours. Limited resources can also impede one’s ability to participate in economic, educational, political, and social activities.

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Services and Social Inclusion

- Spaces of care
 - Soup kitchens, drop-in centres, shelters
 - Not judged
- Users can feel they belong
- Users develop camaraderie

Community services can provide important spaces to facilitate social inclusion for low income residents. Johnsen (2003), Cloke (1997), and May (1994) refer to soup kitchens, drop-in centres, and shelters as spaces of care where low income residents are not judged. They can go to a space where they feel that they belong. Spaces of care also provide an opportunity for users to develop camaraderie with others experiencing similar pressures and to share coping strategies.

Services and Exclusion

- Perception emergency services would deter tourists / impede development
- Perception that developing services would attract more homeless people to town
- Perception that poverty doesn’t exist in rural areas

Unfortunately, spaces of care, such as soup kitchens, are rare in small places. This only exacerbates the exclusion of these vulnerable residents. There are some important attitudinal barriers revealed by Cloke,

Milbourne , and Widdowfield (2002) that prevent the development of these services and spaces. First, there is a perception that such emergency services would impact the town's image, deter tourists, and impede economic development. Second, there is a perception that developing such services would attract more homeless people to the community. There is also a perception that poverty doesn't exist in rural areas. It is an urban problem. Homeless people seen on the streets are not viewed as residents, but as unwelcome temporary visitors passing through.

Power and Exclusion

- Lack of control over membership, networks, agenda, and policy
- Powerful constituencies influence policies
 - Voluntary groups only consulted informally
- Fewer resources to the poor
 - Lack of survey data on poor impacts their power

This brings us to a second key theme, which is about the impact of power on rural poverty. People who live in poverty often lack control to participate as members of organizations or networks, or have no or limited influence over political agendas and policies that shape their lives. Instead, powerful constituencies, such as the business community, influence policy directions. Voluntary groups who may speak on behalf of low income residents are often only consulted informally. Furthermore, limited resources and information about poverty impacts the power of poverty advocacy groups to influence political change.

Physical / Social Infrastructure I

Housing:

- Lack of housing options
 - Limited rental housing units

Transportation:

- Absence of public transportation networks

The ability of low income residents to cope with restructuring pressures in small places is inhibited by a third theme - limited physical and social infrastructure. In terms of housing, low income residents have few options. Small communities generally have few rental or social housing units. Hostels and shelters also generally do not exist in these areas. This drives low income residents to purchase homes that they may not be able to afford. Furthermore, they may be unable to afford property taxes, repairs, and the heat and utility costs associated with older housing infrastructure.

There is also an absence of public transportation networks in small communities. This may also drive residents to purchase vehicles they cannot afford. Unanticipated car repairs, high gas prices, or other transportation costs can push households into poverty.

In terms of other services, the homeless may have limited access to mail boxes or public washrooms for personal hygiene use.

Institutional Barriers I

Human Resources:

- Lack of management / staff
- Volunteer pools vary significantly
- Less organized

Financial Resources:

- Lack of materials / resources
- Heavy reliance on donations

A final theme concerns institutional barriers that limit responses to addressing rural poverty needs. Service restructuring policies have regionalized services and offloaded social service responsibilities to an overburdened voluntary sector. These same social service providers and voluntary organizations may already be struggling with limited human resources, in terms of management, staff, or a stable pool of volunteers to address complex problems associated with poverty.

Due to limited human resources, voluntary groups also tend to be less organized, leading to an unstable or inconsistent provision of services. Limited access to financial and in-kind resources continue to be a strain on rural organizations. With limited capability to pursue a range of funding sources, there is a heavy reliance on donations.

Institutional Barriers II

Policy:

- Restrictions
- Waiting periods
- Support not keeping pace with cost of living
- Underfunding
- Absence of national strategies
 - Housing, childcare, and poverty

Finally, policies aimed at enhancing accountability have also made it more difficult for low income residents to access vital support. Restrictions have limited eligibility for benefits. There are lengthy waiting periods to obtain employment insurance benefits. Social assistance and employment insurance benefits no longer keep pace with rising costs of living. Training and support programs intended to guide low income residents through transition are underfunded. More significantly, there are no national strategies for housing, childcare, or poverty.

Future Research

- Extend our understanding of the scale and scope of rural poverty
- Explore role of 'place' on poverty and antipoverty policies
 - Social, cultural, and economic
- Greater understanding of factors that create / reproduce rural poverty
 - Historic
 - New restructuring outcomes

In this presentation, we have explored some of the complex factors that drive poverty in small places. Our future efforts will focus on extending our understanding of the scale and scope of rural poverty in northern BC. We will explore the role of place, as well as the impact of social, cultural, and economic policies, in producing poverty. Finally, we will strive to obtain a greater understanding of other factors that create and reproduce poverty both historically and in terms of new restructuring outcomes.

Despite characterizations of resource towns as places with high wages, there have always been disadvantaged groups. Economic change is challenging more and more households in these places. Research on rural poverty is generally limited, but needs addressing if we are to develop sensible place-based policy solutions.

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