

THE ROLE OF CREDIT UNIONS IN RURAL COMMUNITIES IN CANADA

by

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Abstract

Many cooperatives in rural areas of Canada had their beginnings in agriculture and in serving farmers and farming communities. They developed to market products, access inputs, process outputs, and to provide mutual insurance services and cooperative banking services. Over time, other players performing similar functions have left as agricultural communities have experienced population losses, while many cooperatives remain. The cooperatives provide access to services crucial for small businesses, producers, and households in rural areas, as well as representing access to networks within and beyond the community. This paper investigates whether a positive impact of the presence of credit unions in rural communities can be discerned in the community's ability to retain and attract population. Our quantitative results do not support the hypothesis of a positive influence, although limited results of a qualitative case study suggest that credit unions perform a different function in rural communities than commercial banks.

Keywords: rural communities, cooperatives, rural credit unions