



STATE OF RURAL CANADA 2015

Canadian Rural Revitalization Foundation
Fondation canadienne pour la revitalisation rurale



Partners



The Canadian Rural Revitalization Foundation (CRRF) was established in 1989 to contribute to the revitalization and sustainability of rural Canada through collaborative research for rural leaders in the community, private sector, and in all levels of government. CRRF works to create credible insights and to improve our understanding of issues and opportunities that are of common interest to rural residents across Canada. Knowledge and better understanding are the fundamental pillars for the welfare of rural communities and environments. For further information visit www.crrf.ca.



The Rural Policy Learning Commons (RPLC) is a project that learns by doing. Our aim is to build on what is already out there, not to reinvent the wheel. Through collaboration and networking, the RPLC hopes to add to the research of rural policy as it applies to governance, infrastructure and services, human capital and migration, indigenous peoples, and natural resource development. The Rural Policy Learning Commons is a seven year initiative funded by the Social Sciences and Humanities Research Council of Canada. For further information visit <http://rplc-capr.ca>.



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Brandon University established the Rural Development Institute in 1989 as an academic research centre and a leading source of information on issues affecting rural communities in Western Canada and elsewhere. RDI functions as a not-for-profit research and development organization designed to promote, facilitate, coordinate, initiate and conduct multi-disciplinary academic and applied research on rural issues. The Institute provides an interface between academic research efforts and the community by acting as a conduit of rural research information and by facilitating community involvement in rural development. RDI projects are characterized by cooperative and collaborative efforts of multi-stakeholders. For further information visit www.brandon.ca/rdi.

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Executive Summary

We have been neglecting rural Canada. Despite the vital role of rural places in this country, and despite their partnership with urban Canada, we have been neglecting rural places and permitting the erosion of an important community development foundation of Canadian society and economy. Fundamentally, we have forgotten how to re-invest in rural and small town places, preferring instead to simply run down the capital invested by previous generations. The chapters in this report present a story of rural Canada that is tremendous in its diversity and vibrancy. Many challenges exist, but authors are equally adamant that there are also many opportunities to advance rural development in this country.

The idea for this State of Rural Canada report came about in order to draw attention to rural challenges and opportunities, and to provide a source of information and a platform for information sharing. The report contains a cross-Canada overview, as well as chapters that focus on rural trends in each province and territory. The report ends with a discussion of core themes and recommendations for advancing rural development in Canada. Given limited space, the chapters do not cover everything – no report is capable of capturing every dimension and issue within rural Canada. However, we hope this report provides important context and nuance to our collective understanding of rural Canada, and that it serves to stimulate discussion and debate.



Key Findings

The report tells us that rural places have much to teach us about building strong communities and resilient economies in the 21st Century. Demographically, we see that population aging and the recruitment of the “next generation” workforce together require investments that build robust new development opportunities. **Economically**, rural and small town places are proving themselves to be highly innovative in terms of responding to the pressures of low-cost global competitors. **Socially**, the rural stereotype of having a strong sense of community where everyone knows everyone is supporting new pathways for social organization, economic development, and local capacity building. With limited resources rural communities and local organizations are models of innovation, doing more with less and achieving net positive impacts. **Environmentally**, rural places are not artificially separated from, but they are intimately set within, the natural environment. Issues of sustainability, environmental impact, conservation, and engagement with nature are not abstract; they are part of daily life. Rural residents embrace a resource economy, but not where the environmental impacts threaten a way of life, opportunities for economic diversification, or functioning ecosystems over the long-term. Finally, the chapters make clear that rural regions are on the front lines of negotiating the new realities of reconciliation and wealth sharing with First Nations and Aboriginal communities.

Recommendations

- 1) **Provincial, Territorial, and Federal governments must develop a new and robust vision and policy frameworks for rural Canada.** In the absence of such visions inappropriate, short-term, and narrowly perceived policies and investment decisions will continue to waste taxpayer dollars and further burden rural places with failed development decisions.
- 2) **Rural communities must be active participants in understanding, planning and investing in their own futures.** The chapters in this report make it clear that local action matters. There are wonderful, inspiring stories of community and regional development from coast to coast to coast. We need to get better at telling these stories, sharing (learning from and celebrating) our failures, and working to adapt and scale-up successful models to other areas.
- 3) **All Canadians must participate in the window of opportunity that follows the Truth and Reconciliation Commission of Canada to acknowledge and seek serious corrective steps to heal the “historical trauma” suffered by Aboriginal peoples in this country.** Every author in this report has acknowledged the challenges that face Aboriginal peoples in all regions, but also the historic opportunities, opportunities that are being realized because of the efforts and changes going on within Aboriginal communities themselves, the promise held within their young and growing populations, and emerging patterns of self-governance.

As we approach a re-imagined rural Canada we need to listen to rural peoples, both Aboriginal and non-Aboriginal, about their ideas and aspirations for the future. We cannot re-imagine places and economies without the vision and experience of those who live and work every day in these places. All chapters speak of the necessity of an authentic engagement with rural peoples.

The Canadian Rural Revitalization Foundation (CRRF) has a mandate to work to better the lives of rural Canadians. As we can see from the chapters in this report, there is a diversity of “rurals” that this mandate encompasses. CRRF, and our partners, will continue to engage with rural communities, support research, and – most importantly – tell stories to inspire positive engagement and change.

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1.0

Introduction

Al Lauzon, Ray Bollman, and Bill Ashton

The Canadian Rural Revitalization Foundation (CRRF) has at the heart of its mission the promotion and enhancement of the quality of life in Canada's small and rural communities. Founded in 1989 as the Agriculture and Restructuring Group, in response to the lack of interest in rural Canada and in particular rural research¹, CRRF was organized with a focus on developing rural research and knowledge dissemination and promoting an active process of engagement with rural stakeholders. The idea for this State of Rural Canada report came about in order to draw attention to rural challenges and opportunities, and to provide a source of information and a platform for information sharing. The report contains chapters on each province and territory and ends with a discussion chapter that offers a synthesis of core themes and a series of recommendations for advancing rural development in Canada. Each chapter has been authored by volunteers, who have generously donated their time and knowledge to the report. Their efforts emulate a tradition of volunteer commitment that is so prominent within rural communities themselves. The chapters provide some statistical data, but they are not intended to be statistical reports. Rather, we asked each provincial team to share their perspectives on a variety of core themes affecting rural Canada. We also asked the authors to limit the size of their chapters – something that was a challenge given the diversity of rural issues and the passion each author team has for the subject! As such, the chapters do not cover



everything – no report is capable of capturing every dimension and issue within rural Canada – and may contain opinions and perspectives that others disagree with. We hope this approach provides important context and nuance to our portrayal of rural Canada, and that it serves to stimulate discussion and debate – within each province and across the country as a whole.

Rural Canada is important to the country in that it is the site of food production, resource extraction, energy generation, clean water and air, and of increasing importance for carbon sequestration. In other words, rural Canada is a site of significant economic activity, job creation, environmental stewardship, and social/cultural production. Throughout much of CRRF's history the federal government of Canada was a significant partner and supported CRRF in a variety of different ways. However, the recent federal government preoccupation with fiscal challenges means they are no longer the active partner they once were, but still continue to support CRRF activity where possible. However, we would argue that rural has taken a "back seat" in terms of policy development and while CRRF was successful in the mid-1990s arguing for a cross sector, holistic approach to rural development¹ federal policy has, for the most part, once again focused on economic sectors at the expense of a more holistic approach to rural development. The recent downsizing of the Federal Rural Secretariat, and many other Provincial and Territorial programs, speaks to how current senior governments view rural Canada from a sector perspective and fail to take a holistic and cross sector perspective with regard to rural policy and development. In addition, the elimination of the mandatory census means that rural communities and organizations do not have access to information to inform their planning. While it is true that the same argument could be made for urban communities, urban communities have greater human and fiscal resources that can be drawn upon to meet this new information deficit.

In this chapter we provide an overview of pertinent issues in rural Canada. It is not meant to be comprehensive and there are a number of other topics that which could have been addressed. Simply, we are limited by space. We begin by looking at what rural means to help set the context for the subsequent chapters

The Concept of Rural

The question we begin with is what is rural? The

concept of rural has been defined numerous ways and various definitions have been given more emphasis at particular points in time and in different contexts. However, all rural communities share the two dimensions of rural:

- (low) density; and/or
- (long) distance to density^{2,3}.

Given the above, the bottom line is that every public policy and program applies, in different degrees, to both urban and rural populations. The objective of a rural perspective on policy, in our view, is to consider and to address the implications of rurality (density and/or distance to density) for each public policy and program. This was termed "the rural lens" by the Federal Rural Secretariat⁴. Thus the political will to make this assessment for each public policy and program is a key component of rural development. However, there is an old saying among rural development practitioners that if you know one rural community...then you know one rural community. This really speaks to the diversity of rural Canada that exists for any given degree of rurality. The outposts of Newfoundland are different than the rural communities in southwestern Ontario which are different from the rural prairie communities, the communities of Northern British Columbia or the Inuit and Aboriginal communities of the north. Each community has its own unique history, geography, and development trajectory complete with its own set of challenges and opportunities. And while communities are not destined to a particular fate as a result of their unique developmental trajectory, they are, in many ways constrained. Thus there is no single rural Canada, only the many manifestations of rural Canada and this makes rural policy development incredibly challenging.

The Changing Context of Rural Development in Canada

Despite the many manifestations of rural Canada, all rural areas and communities have experienced the accelerated change of the last 30 years, or what geographer David Harvey⁵ calls the compression of time and space; change occurs more quickly. The challenges rural Canada face include: social and economic restructuring; decline in the significance of the primary industries; decline in the manufacturing sector; demographic ageing as young people leave their home communities; and the diminishing of the

social safety net as a result of the decline of the Canadian welfare state and the rise of the Canadian neoliberal state⁶. Rural Canada is striving to adapt to the new economy, an economy that is increasingly globally interdependent, where change can literally happen overnight. What happens on the other side of the world can have direct and often immediate consequences for Canada and rural communities and regions.

Global economic restructuring is not the only issue rural Canada must contend with. For example, the challenges that global climate change present must also be met by rural people. Warren and Lemmen⁷ list a number of impacts, some which will affect rural Canada more directly. These include:

- risks associated with climate extremes including permafrost degradation, rising sea levels and plant species migration;
- risks to food production systems, including agriculture, fisheries and non-commercial food production through risks to transportation systems that they are dependent upon, and increased losses from invasive pest and diseases;
- climate related changes to species distribution resulting in novel ecosystems of which little is known, or in some cases the adaptability of species may not be quick enough so it would diminish biodiversity;
- increased hazards such as flood and wildfires that displace populations or destroy infrastructure;
- the impact of extreme weather events on water quality and infrastructure.

A third factor influencing rural development in Canada is Aboriginal people as they continue to affirm their treaty and land rights and advance the quality of life for their people, addressing the historic injustices of social exclusion⁸. In the 2011 National Household Survey 1,836,035 people reported having an aboriginal ancestry and 901,053 have been identified as status Indians. Of these 901,053 just slightly more than 52% live on reserve and in communities on crown land. Rural development in Canada must address the needs of the Aboriginal People of this country and embrace them as full partners in rural development, particularly as it relates to the development of the natural resources sector.

As these three factors converge—an interconnected global economy, global climate change, and the advancement of Canada's Aboriginal People—they create uncertainty and change whereby we must navigate the present into the future knowing we are

never quite sure what the future will hold or look like. These factors coupled with an expansive landscape means rural Canada is diverse and complex.

The Canadian Rural Economy

Historically rural was synonymous in many ways with agriculture and agriculture policy was rural policy. Primary agriculture, while playing an important role in the Canadian economy, is responsible for only 1.7% of Gross Domestic Product (GDP). Also, with farms growing in size and the reduction of the number of farms—down 10% in the 2011 census—primary agriculture is a shrinking source of livelihood for rural people⁹.

Non-metro Canada is the home of 31% of Canada's population, 28% of employed Canadians and responsible for approximately 30% of Canada's GDP. The structure of Canada's non-metro economy by importance of industry sector looks different depending upon whether you use a measure of number employed in the sector or the GDP generated by sector.

In terms of number employed, the largest sector in non-metro Canada is employment in the wholesale and retail trade sector. This is followed by the health and social assistance sector and the manufacturing sector. However, if GDP is the metric, then the sector including forestry, fishing, mining, quarrying and oil and gas extraction ranks as the largest sector in non-metro Canada because of the high GDP per worker in this sector. Thus, relatively few workers generate a relatively high amount of GDP in this sector. However, it should be noted that although the statistics show a relatively low share of direct employment in the mining, and oil and gas extraction sectors, the spin-off jobs are not insignificant. For example, manufacturing ranks as the 2nd largest sector and wholesale and retail trade ranks as the 3rd sector.

In terms of the manufacturing sector, there has been a significant decline in GDP. In 2002 manufacturing accounted for 8.9% of Canada's GDP and in 2014 it accounted for 4.9%¹⁰. Winson and Leach¹¹ capture the devastation and trauma in the lives of unskilled and semi-skilled workers who lost jobs in the rural manufacturing sector, leaving workers in a precarious position and undermining community sustainability. There is the danger that this precarious work situation will become the norm.

Much of the decline of the manufacturing sector has been a result of the preoccupation with the development of the energy sector, in particular the oil sands. The result, according to Rubin¹² was disastrous for the manufacturing sector in Ontario and Québec as the value of Canadian currency reached parity with American currency, and this meant the manufacturing sector was not competitive on the global market. But we have seen the volatile nature of the resource sector with the recent decline in oil prices creating a “financial and political crisis” in Alberta and Newfoundland and Labrador. Global action on climate change, recently invigorated by the agreement between China and the United States, will also bring additional pressures to the fossil fuel sector, and unconventional sources like the oil sands in particular¹³.

As global society transitions to alternative energy sources, other opportunities exist for rural Canada, particularly in the clean energy sector¹⁴. Flannagan explains that there will be significant growth in the clean energy sector which is worth \$1.1 trillion dollars in 2012 and it is estimated to be \$2.5 trillion by 2022. We cannot let pass by the opportunities to get in on the ground floor of the development of the clean energy sector and the potential opportunities it offers to rural Canada. For example, the placing of wind turbines in rural areas offers farmers an additional steady source of income if they are willing to lease land for the placement of turbines* with minimal risk to the remaining farming activities. There are also opportunities for revival of rural manufacturing in the clean energy sector. An example of this is the location of Siemens manufacturing of wind turbines in Tillsonburg, Ontario. Located in an old auto manufacturing plant, they currently employ over 400 people. As Canada strives to develop a national energy strategy, which is now happening through the Council of Federation Energy Strategy Working Group, rural Canada and rural people must be considered in their deliberations for they are likely to bear both the burdens and the benefits of a national energy strategy.

Human Capital in Rural Canada

While a global economy offers new opportunities for rural development, it requires a skilled and

* As of June 2015 Canada derives 5% of its electricity from wind power, enough to provide electricity to 3 million homes (CanadianManufacturing.com, June 15, 2015).





knowledgeable labour force. Yet Canada in general and rural areas in particular face a labour force challenge. In 2008, the demographic replacement of the non-metro workforce in Canada fell below 100%^{15,16}. Non-metro Canada has entered a period with fewer young potential entrants to the workforce, compared to potential retirees from the workforce. In metro Canada, the demographic replacement rate fell below 100% in 2013. This will intensify competition for workers and is expected to continue up until 2029. Furthermore, there has been a decline in skilled and semi-skilled jobs where a good living could be earned as noted earlier. The new labour force needs to be a more knowledgeable and skilled workforce. This is challenging for rural Canada. A report by the Canada Council on Learning¹⁷ highlighted three issues:

- rural communities have higher high school dropout rates (16.4%) relative to urban communities (9.2%);
- rural communities across the country have lower average levels of education with urban areas having slightly more than 60% of their population having some post-secondary education while rural communities had slightly less than 50%;

- among the 34 OECD countries Canada has the largest and hence worst rural-urban gap with respect to levels of education in the workforce.

Is the current rural labour force adequately prepared for participation in the new rural economy? Lauzon et al.¹⁸ add that rural communities often lose their best and brightest youth as they leave either for education or for better employment opportunities, and invest little in the youth who will stay. Clearly the issue of human capital in rural Canada will pose challenges to communities and regions as they grapple with the changing demands and opportunities in the global economy. This raises the question as to how rural Canada can ensure they have the appropriate skill sets and knowledge within their labour force to optimize the opportunities that may come their way through the new rural economy. This poses a major barrier to rural development in Canada and a major policy challenge for governments. Clearly the integration of new learning technologies into a rural human capital development strategy may play a role in meeting this challenge, but it is going to require creativity and determination if this goal is to be met.

One way to address the labour market shortage is to attract immigrants. A number of rural communities have been successful in attracting immigrants. Among non-metro census divisions (CDs), 10 CDs grew their population in one year (2013) by 0.6% or more by attracting immigrants^{15,19}. These CDs ranked from #9 to #28 among 293 CDs in Canada in terms of immigrant arrivals per 100 inhabitants. Thus, some non-metro CDs can be and have been successful in attracting immigrants. The absolute numbers may be small but the high rate of growth in many CDs implies a demand for growth in services to welcome, settle, and retain immigrants to the community. There are many examples of successful approaches across Canada of welcoming newcomers in rural areas, with Manitoba often cited with their settlement and integration continuum of services, where they have some of the highest rates of immigrants moving into rural communities²⁰. Another promising practice to integrate newcomers includes local immigration partnerships, where regional stakeholders including municipal councils and employers and local service providers implement actions. While there are successes, more is needed as concluded in a recent study of 29 communities across western and northern Canada²¹. Whether you consider the CDs with a higher rate of immigrant arrivals per capita or the CDs with a higher rate of growth in immigrant arrivals, the rurality (i.e., density and distance to density) of the CD suggests the need for differing approaches for an immigrant welcoming strategy. However, given a long-term labour shortage competition for immigrants will increase, and to date rural Canada has not been overly successful in attracting and retaining immigrants. If rural Canada is to develop vibrant communities and economies then they must enhance their existing human capital, which means welcoming newcomers.

Place-Based Policy

Given the economic restructuring and the emergence of the new rural economy, coupled with a declining labour force and global climate change, rural Canada will have challenges to meet but will also have new opportunities to capitalize on. Creativity and innovation are called for. The question that arises is how can governments' best invest in rural Canada, particularly given the various challenges and opportunities in the varying rural regions of Canada. In our view, recognizing the dimensions of rural (low population density and/or long distance to density) must be the first step to understand

the advantages and challenges of any given place. Given the degree of rurality, it is then important to have a flexible policy that can recognize the diversity of rural places. The idea of one size fits all policy will not work for rural Canada. Reimer and Markey²² argue that place matters because that is where people's assets are situated, that is where services are delivered, that is where governance takes place. In rural communities this is often through networks that are much more informal than those in the urban areas. The New Rural Paradigm²³ argues that picking winning sectors and picking winning firms within sectors has been fraught with failure. Rather a place-based approach is preferred (i.e., investing in the capacity of a place to develop itself). Then development decisions would tap into local knowledge²⁴, building on the "expertise" and experience of local people. This approach to policy requires more innovative forms of governance and requires collaboration among government, civil society, and the private sector. According to Bradford this points to the importance of local government and the strategic role they must play in place based policy, bridging between higher levels of government and other local and regional players²⁴. This requires significant change from traditional forms of policy development and requires new roles and new competencies for all stakeholders, hence there is a need for investment in developing the capacity of stakeholders to participate in this emerging form of policy development.

Conclusions

This chapter was not intended to be comprehensive, but meant to provide an overview of some of the current challenges rural Canada as a whole faces. It is also important to acknowledge that inherent within any challenge is an opportunity. The detailed challenges and opportunities of each province, territory, and aboriginal community are documented in this report. What we can conclude, however, is that rural Canada is changing through increased integration into the global economy, global climate change, and the assertion of their rights by Canada's Aboriginal People, creating an environment of uncertainty. To meet these challenges and capitalize on the opportunities presented rural stakeholders need creativity and new ways of doing rural development and supporting rural development. Rural Canadians have a long history of innovation and creativity and we are certain they will be able to draw on this history to meet the challenges of the future.

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2.1

British Columbia

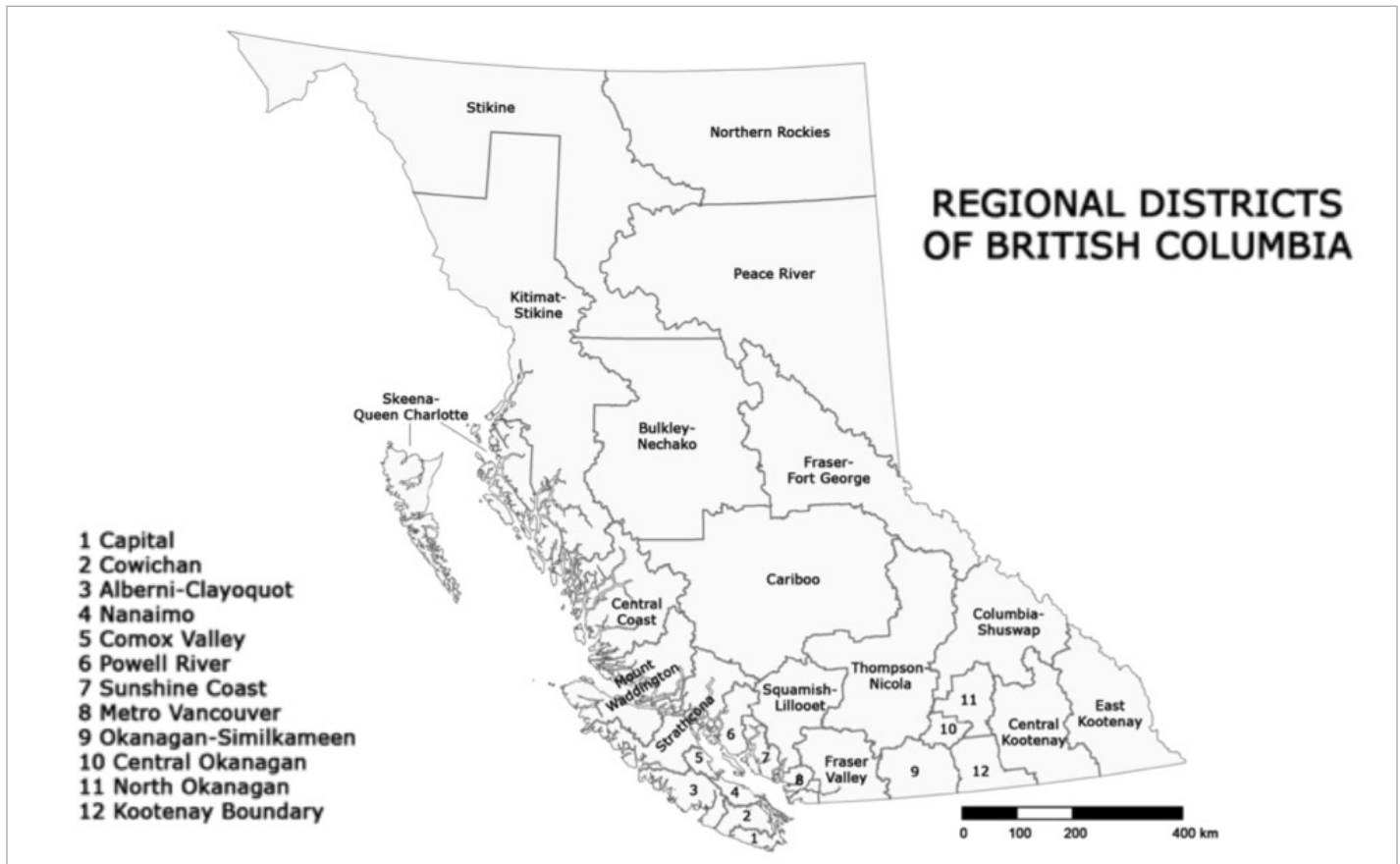
Greg Halseth, Laura Ryser, and Sean Markey

Introduction

Rural British Columbia (BC) is a dynamic and evolving landscape. For generations it has been the economic heart of BC, and since 1980 rural BC has been experiencing the opportunities and challenges of a faster paced and more integrated global economy. BC's rural and non-metropolitan regions share many things in common with other provinces. As elsewhere, BC is organized around a strong metropolitan and non-metropolitan divide. The metropolitan Vancouver-Victoria region contains just over 60% of the population within a relatively small area, while the remaining 40% is distributed across the rest of the province. In addition, as elsewhere the provincial government struggling with debt and deficit issues, together with rising costs, have implemented a series of actions that have closed government offices in non-metropolitan places. The implications have been a significant reduction in the eyes and ears that the provincial government has on the ground across non-metropolitan BC. In a context where rural-urban regions are tied together, but rural policy development is envisioned only within the confines of metropolitan Vancouver and Victoria this is a difficult challenge indeed.



Figure 1: Regions of British Columbia



Map credit: Kyle Kusch

BC's non-metropolitan area is not a uniform landscape with a single trajectory, but instead is diversifying into a suite of different development regions¹. Amongst these diversifying regions are the metropolitan fringe areas of southern Vancouver Island and the Fraser Valley (Figure 1) that have received considerable spillover growth (4.7% and 8.0% respectively since 2006). With mild climates, they have received flows of amenity and retirement migrants.

The Okanagan Valley forms a second significant non-metropolitan region. In this case, the economy has diversified from a low value fruit production landscape to a mix of fruit, wine, and tourism products. It is also an attractive region for retirement in-migration and the services needed to support that population², and as a result has grown by over 7% since the 2006 Census. With the completion of the Coquihalla Highway in 1986, it has also become increasingly connected with the Lower Mainland in terms of business and second home residents³. The region has also become a source of skilled fly-in, fly-out labour to northern BC and to the oil sands in Alberta. In the Kootenays, the challenges

around restructuring of traditional natural resource industries that put downward pressure on population and development change have been accompanied by an upswing in amenity migration, retirement migration, and associated processes (2.9% growth).

Northern Vancouver Island and Northern BC continue to be significant natural resource production regions. However, reduced employment opportunities, increasingly large firms, the substitution of capital for labour, and other restructuring pressures have meant that population growth has been relatively flat or even declining in many areas (1.8% and -0.1% respectively since 2006). Home to BC's oil and gas industry, the development and demographic fortunes of the Peace River Region have risen and fallen with the swings of that industry. In sum, there are many different "rurals" that comprise non-metropolitan BC. Over time, changes in industrial connections have reshaped metropolitan-hinterland relationships. This does not mean that longstanding connections have disappeared, but they have been reduced, supplemented, or diversified⁴.

Demographics and Human Capital Development

One of the significant stories in non-metropolitan BC's demographic landscape is that of accelerated population aging. While the Canadian population is aging, non-metropolitan BC often shows a trend of aging at a faster rate. In resource production regions, the continued employment of long-time workers who are aging on the job, as well as the out-migration of youth as a result of the lack of new jobs in those same communities has created a process of resource frontier aging⁵. In other regions, the climate and service regimes have formed attractive pull factors that have created significant in-migration streams of retirees or older amenity migrants.

With attention turning towards demographic aging, there has not been a renewed investment in the adaptation of community infrastructure, the community housing landscape, or local services to enhance community attractiveness for the next generation of young workers. Research identifies that young households are seeking a different suite of amenities than families in the 1960s and 1970s⁶. This need to renew the population and to attract immigrants and in-migrants will require investment across all of these areas to guide successful recruitment and retention in small communities.

Adding to the demographic complexity of change in non-metropolitan BC are trends within Indigenous communities where the population tends to be younger while maintaining a higher birth rate than the non-Indigenous population⁷. Community development and economic development strategies must be more broadly adopted to enhance the participation of young Aboriginal individuals in education, labour force training, and the labour force⁸.

This highlights the need for increasing attention to human capacity development. Too often, policy decisions recently have focused only on short-term skill gaps relative to major infrastructure or resource development projects, and even then focused more specifically on the needs of specific trades. These things are important, but we also need to pay attention to the long-term development of a learning workforce.

Governance

Research on new regionalism clearly highlights that for non-metropolitan regions to be more effective and proactive in addressing opportunities and challenges in the global economy, we need more attention to issues of governance⁹. In BC, one of the critical elements of governing non-metropolitan areas is the role of regional districts[†]. Like larger local government entities in other provinces, the regional districts have experienced a slow evolution of their mandates but have not really taken full command of the visioning and planning processes for the large territories that they cover.

The intense debates about large-scale resource development projects in BC, including various oil pipeline and liquefied natural gas (LNG) proposals, have highlighted that our government structures on the ground (be they local government, regional districts, Indigenous or band governments) are not equipped to manage larger processes of governance¹⁰. The focus on large-scaled industrial projects has posed challenges for small communities to anticipate booms and busts, to understand positive and negative cumulative impacts of multiple industry projects across different resource sectors, and to obtain their 'fair share' to support appropriate investments in infrastructure and services¹¹. The development of trust funds and community foundations are providing supplementary financial resources; although, many remain in the early stages of development. Moving forward, there is a need to ensure that collaborative structures engage industry, local and senior levels of government, and relevant stakeholders to identify and monitor the integrated nature of cumulative environmental and socio-economic impacts from resource development¹². A movement towards regional assessment processes is working to mitigate these issues¹³; although, there has been no guidance or consistent methodological approach by senior levels of government for cumulative impact assessments¹⁴. Further, the application of rural development programming and debates over development opportunities have not demonstrated a clear understanding of the complicated aspects of Aboriginal governing rights and title that have been accorded through various court cases.

Historically, rural development supports as organized by the provincial government have been significant

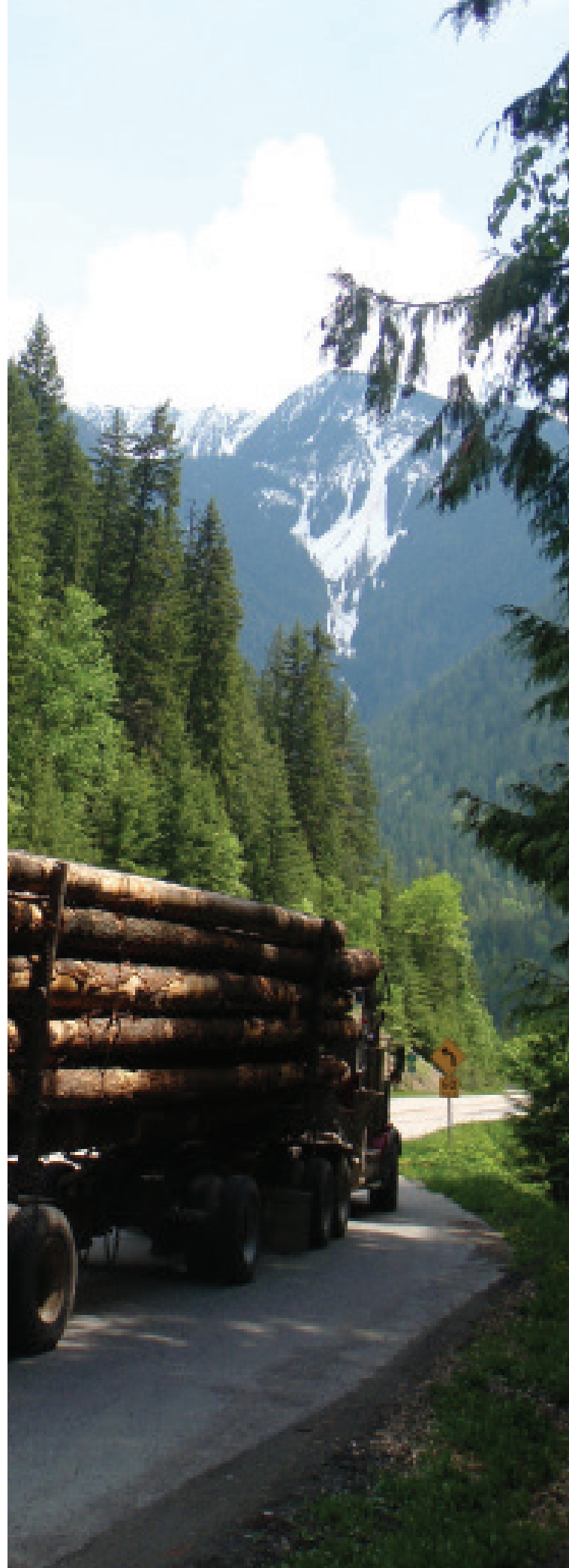
[†] Incorporated in 1965, regional districts provide planning and services for large tracts of unincorporated rural areas. They also provide a mechanism where municipalities and unincorporated rural areas can collaborate on joint service needs. They are governed by a board that includes appointees from municipal councils and electoral representatives from rural areas.

and considerable dollars have been invested. Unfortunately, these initiatives have suffered from being sporadic, sectoral, and, at times, highly politicized. The short-term nature of these programs has meant that their effectiveness is never able to gain substantive traction. One of the compounding problems is that each of these initiatives (in addition to various federal programs) happens within a BC framework where there is no comprehensive rural policy as we see in provinces such as Québec.

Added to this complexity is the fact that in BC, unlike most provinces in Canada, there remain considerable areas where the Indigenous land question has not been settled through treaty negotiations. This has been identified time and again as a significant barrier to Indigenous and non-Indigenous community and economic development, as well as to the fortunes of the province as a whole¹⁵. While there have been some modern treaties signed in northern BC, the recent supreme court decision around the Williams case highlights a longer evolution of court decisions that identified the need to negotiate land and title questions¹⁶. The Supreme Court under the Williams case declared Aboriginal title to approximately 1900 km² that provided the T̓silhqot'in with control over the use and development of this territory and excluding these lands from government jurisdiction.

Economy

Turning to the rural economy, BC's provincial economy is more dependent on exports than the Canadian economy as a whole (39.4% vs. 30.6% respectively)¹⁷. In turn, BC's export economy is dominated by the export of minimally processed raw materials¹⁸. When looking at the resource economy, it is very clear that there has been significant economic restructuring since the global recession of the early 1980s. We have seen companies increase consolidation strategies, adopt labour shedding technologies, and pursue more flexible and mobile labour regimes¹⁹. The net result is that now we are exporting more raw resources than at any time in the past. However, there is less local employment in rural regions per volume of commodity exported. There are also fewer local benefits from those resource industry activities as companies struggling for profitability have argued for reduced contributions to local property taxation and contribute less via other means to community infrastructure. This supports findings from research out of Statistics Canada that has identified that if you are interested in robust rural development, natural resource sectors don't support that direction²⁰.



Infrastructure and Services

Since 1980²¹, infrastructure investments and services have been transformed by a neoliberal public policy framework that has favoured market-based providers and reduced government expenditures in many areas. As a result of these changes in the public policy mindset, non-metropolitan BC is accumulating an infrastructure deficit. This was highlighted significantly, for example, when initial work on the new LNG initiative got underway in communities like Terrace and Kitimat. Not only were there insufficient social services to deal with the upswing in economic activity, but a good deal of the infrastructure was insufficient to handle the increasing workload now demanded of it²².

A further complication is that reductions in service availability often get picked up at the local level within the voluntary sector. This voluntary sector, however, is limited by the size of the local population and the potential volunteer base in small communities²³. Changes in the health and social service sector have put additional stresses on the rural voluntary sector who step in to fill service gaps but who run the risk of burnout.

Finally, several large-scale industry projects have prompted a large influx of construction workers and mobile workers. This has produced severe housing shortages, an increase in hidden homelessness, and even out-migration for vulnerable residents who have essentially been squeezed out of the rental market. Higher rental rates and market prices have also meant that there is greater difficulty to attract and retain workers in a range of community sectors, such as local government, health, social services, education, daycare, police, business, and tourism and recreation. While BC Housing has deployed affordable social housing funds and subsidized rent programs, the criteria for these programs do not reflect the cost of living in boomtown settings. In these places, many households that are not designated as low-income are not able to afford high rental rates, but do not qualify for supports from these social housing programs.

Recommendations

Continuing work with rural communities and regions highlights the indivisibility of the economy, rural society, and the environment in both community and economic development. A recent large economic visioning project highlighted that people wanted

not only jobs, but jobs that “respect people, the environment, and the rural and small town quality of life that defines a northern lifestyle”²⁴.

The general story of rural development in BC and the implications for those development trajectories looking forward highlight, first and foremost, that successful policy and investment approaches recognize that rural and urban regions are together in a singular provincial economy and they further recognize the valuable contributions that rural regions make to the health of the provincial economy. This recognition not only supports more fruitful or viable policy development, but also creates a base for supporting significant reinvestment in that key economic infrastructure.

These first two elements, combined with the recognition of the diverse suite of non-metropolitan regions across BC where each have their own development trajectories, means that we must pay a great deal more attention to place-based policy development and program application. We need to listen and understand what people in places have to say about opportunities and challenges. We also need to support initial mechanisms for allowing regional voices to come together to create visions for how development assets might be understood, re-bundled, and then mobilized to support community aspirations.

Finally, as highlighted in a number of places, the separation of jurisdiction between Indigenous and non-Indigenous interests has been a challenge that has not yet successfully been resolved. Recognizing the Williams decision, there continues to be a need for all parties to address seriously and resolve earnestly issues around treaty settlement and the relationship between Indigenous and non-Indigenous communities.

After the Second World War, the rural regions of BC were developed with a vision that included not only the resource wealth of the region, but ways in which that resource wealth could support both provincial as well as local and regional economies and qualities of life. Since the 1980s, that model has been stressed and we have slipped in our attention to reinvesting in the health of those rural communities and economies. The time and opportunity are now to reimagine the relationship between urban and rural BC and transform rural BC from a resources bank from which revenues are extracted into a true partnership for the health and prosperity of all in the province.

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2.2

Alberta

Lars Hallstrom, Jennifer Stonechild, and Wilissa Reist

Introduction

The province of Alberta was established in 1905 through the Alberta Act as part of a federal rapid settlement initiative. Economically it has hinged upon agriculture, and for the past 70 years, resource extraction (particularly energy). These economic patterns have reinforced politics in the province - local resentment of regulation from higher government has long been common as a result demands for local autonomy and the marketing of the West as the land of freedom and opportunity¹. This resentment transitioned to alienation through the 1970s and 1980s, primarily due to tensions over provincial natural resource control¹. Up to the 2015 election of New Democrat Party (NDP) Premier Rachel Notley, the Progressive Conservative Party were able to maintain political and economic control for 44 years by presenting the province as restricted by outside interests (especially Ottawa) in provincial resources^{1,2}. Recent population growth (driven by economic development) has led to a (proportionately) large urban population, creating additional pressures on rural municipalities. Specifically, land taxation has not kept up with demand for infrastructure, requiring more provincial support. This demand has further reinforced a gap between rural and urban municipalities as the population and their tax base moved to urban areas^{1,3}. This is further compounded by a broader trend of devolution, with responsibility for health and social programs downloaded from the province to municipalities. As a result, real concern for the sustainability of municipal governments and communities has emerged¹. While the province has encouraged voluntary regional partnerships to conserve local resources and deal with regional issues, these efforts have been largely hindered by a history of distrust for regional initiatives and an ambiguous definition of qualifying initiatives¹.



Demographics and Human Capital^{4,5,6,7,8,9}

- Population: 3.7 million
- Growth rate: 1.8% (2010)
- Urban centres (Calgary and Edmonton) accounted for 77% of growth between 1996 and 2010
- 35% of population growth due to natural increase, 65% due to migration from 1996-2010
- Athabasca-Grande Prairie-Peace River region had highest total fertility rate, which may be influenced by a high Aboriginal population
- Urban centres (Edmonton and Calgary) account for 80% of the provinces' migrants, and 90% of immigrants
- As of 2011, 15.8% of Canada's Aboriginal population resides in Alberta (this includes 13.7% of First Nations, and 21.4% of Métis peoples)
- As of 2011, 16.9% of Alberta's population resided in a rural region
- 707,646 residents are considered within a rural area, though 137,000 of this population are strongly influenced by census metropolitan areas and/ or agglomerations

Governance

On a federal scale, a retreat from rural regions is observed in policy shifts that include abandoning farm subsidies under international trade rules and handing over agricultural research to the private sector¹⁰. The progression of this sense of neglect can be broken into three stages¹⁰. The first stage is the election of the Progressive Conservatives (PC) under Peter Lougheed in 1971, which "corresponds to a period of aggressive interventionist 'provincial-building' on behalf of indigenous capital that continued until the oil boom in 1982"¹⁰. Although the banishment of Social Credit at this time is seen as a reflection of the transition to an urban and corporate-focused Alberta, the PCs also appealed to rural communities through promises of improving quality of life to the equivalent of urban citizens, and reversing depopulation¹⁰.

The second stage (1982-1993) is a transitional period that can be characterised by deficit budgets, and desperate expensive attempts at economic diversification in the midst of a collapse in the energy sector¹⁰. Due to pressures from the NDP and Liberals, the PCs under Don Getty increased rural support by such promises as expanding Agriculture Development Corporation farm loans, and paving all secondary roads (though this promise was never upheld). These deals coincided with the generally reactive role the province took toward global investors at this time.

The third stage (1993-2015) reflects this reactive role. For rural Albertan communities, global investment was encouraged through the aggressive promotion of pork production and processing. The encouragement and failures of these developments divided rural communities based on whether to encourage more value on economic benefits, or environmental security. This issue was also observed in relation to the energy sector. For those who have remained optimistic about the economic benefits of energy extraction, technology has been the resort solution for both improving efficiency and environmental restoration, but the latency and irreversibility of effects on the environment are ignored¹¹.

The third stage deals with the "Alberta Advantage;" a foreign investment pitch with low taxation as the central focus¹⁰. The government's physical presence has continued to recede in rural communities as shown through cuts to municipal grants and the machinery and equipment tax, and downloading budget allocation to regional boards in the education and health sectors¹⁰.

Following changes to municipal and rural governance in other provinces, amalgamation is used as a means to ensure that municipalities have the financial and technical capabilities to provide the full extent of services they are responsible for, to reap economies of scale, and to reduce spillovers of service delivery¹². Although there has never been a forced amalgamation in Alberta, cuts in provincial transfers in the 1990s caused voluntary amalgamation within rural communities. An alternative to amalgamation through the Municipal Government Act for local government restructuring is a viability review, and such reviews are increasingly seen as necessary, and positive, steps for smaller communities. However, the effectiveness of amalgamation as a cost-saving measure, as well as its ability to provide quality services, is often a subject of debate¹³.

Rural Economy

Alberta is divided into eight economic regions. Trade is the most prevalent employment opportunity in most regions, and for Alberta overall, but the dependence on each sector varies in each region⁶. The second and third industries by employment provincially between 1996 and 2010 were health care and social assistance, followed by construction⁶.

In 1998, the province initiated a pilot regional economic development alliance in response to the numerous ad-hoc community partnerships that had developed in the mid-1990s, and to increase economic development through collaboration of these groups. After review of this pilot project, the province developed a Regional Alliance Strategy Initiative in 2000, which was to support development of a Regional Economic Development Alliance (REDA) network. The alliances were to "enable regions to compete more effectively in a global marketplace and improve investment attraction..."¹⁴. There are currently eleven REDAs distributed across the province.

In late 2014, Alberta Agriculture and Rural Development released the Rural Economic Development Action Plan for economic development strategies, innovative ideas, and conditions for success. Based on input from the Rural Economic Development Task Force, the plan was developed to improve current programs and services in rural and Aboriginal communities, outline how to reduce duplication among provincial ministries and quality of service for stakeholders, and identify new ways of addressing common challenges¹⁵. Areas of focus within the plan include: industry and business development; financial and capital access; attraction, retention and entrepreneurial development; rural business infrastructure capacity; and regional and cross-regional collaboration¹⁵. Issues for rural economic development were barriers to development for future generations, financial hurdles for businesses that are in need of capital for new and expanding enterprises, demographic changes require focus on attracting skilled workers and their families (i.e., youth urbanization is leaving rural communities with a largely senior age structure), infrastructure limitations, effective use of resources requires collaboration between regional and government departments¹⁵.

Rural Infrastructure and Services

Rural municipalities are generally in similar or worse financial positions than urban municipalities due to the proportionately higher expenses incurred by these areas. Their expenses are higher because of lower populations and larger networks of infrastructure. Although Albertans tend to rank infrastructure as a priority, rural communities have equal percentages of public support and opposition when prompted with the suggestion of tax increases to facilitate infrastructure development¹⁶.

Rural broadband has been an important infrastructure issue for rural communities, as some see it as a means for retaining youth, connecting citizens, providing educational opportunities, and attracting new residents and businesses¹⁷. The Town of Olds has taken on an individual project to ensure their residents have access to a fibre-optic network^{17,18}. Another infrastructure initiative is the Alberta SuperNet. This was established by the Government of Alberta in 2001 to provide high-speed fibre optic and wireless access to the majority of rural communities¹⁸. Prior to SuperNet, only seven service providers were available outside of urban centres, as opposed to the estimated 81 currently available¹⁸.

Energy is the single largest contributor to Alberta's GDP. The pipeline infrastructure across this province is extensive, with a crude oil network extending to Canadian and US markets, as well as a well-established petroleum product network. Most of the petroleum product pipelines are privately owned and do not cross provincial, territorial, or federal borders, so they are not regulated by the National Energy Board¹⁹. An increase in production from Alberta's oil sands, higher demand, and the associated rise in crude oil prices have resulted in the development of crude oil from Alberta's oil sands becoming profitable, and a number of crude oil expansions and pipeline construction projects have recently occurred and production is expected to continue to grow¹⁹. The increased demand for blending agents needed to transport bitumen due to the high viscosity of the raw product will cause further stress to current infrastructure¹⁹.

Tight gas, shale gas, and coalbed methane production are all expected to increase and has the potential to temper the decline of conventional gas production in western Canada. Although Montney tight gas and Horn River shale gas in Northeast BC are the primary areas of development, supplementing processing and pipeline capacity to access existing pipeline systems

in Alberta are also being considered¹⁹. Growth in Alberta's natural gas demands are driven by oil sands developments. North Central and Northeast regions may require more infrastructure to transport natural gas to the oil sands¹⁹.

Aboriginal issues

Of the eleven numbered treaties signed across Canada, Treaty 6, 7, 8, and 10 incorporate some portion of Alberta and are relevant to Aboriginal people in Alberta. The issue of resource exploitation affects treaty First Nations in Alberta, especially northern communities. Water, land, and wildlife are affected which in turn affects ceremonial, recreational, and daily uses. Northern Albertan communities have long been interested in effective and strong watershed protection, especially those living downstream of development²⁰. Treaty 6, 7, 8 First Nations asked for a moratorium to oil sands approvals until comprehensive land management planning took place²⁰. A comprehensive watershed management plan and a resource development plan for the region were requested as part of the resolution. The lack of consultation with First Nation communities is especially prevalent in oil sand development. First Nations are increasingly proclaiming that both the Federal and the Provincial government have violated their constitutionally protected rights by allowing for this development²⁰. Health concerns of First Nation communities are high due to the exponential growth of timber and oil industries. In Fort Chipewyan, a study conducted in 2009 concluded that there was a 30% higher cancer rate than expected and most elevated cancers had been linked to oil and tar chemicals²⁰. The Northwest Territories Association of Communities also called for a moratorium of oil sands development in May 2009 that asked the Northwest Territories to demand Alberta stop oil sands development until a transboundary water agreement was created²⁰.

Some Aboriginal groups were excluded from the numbered treaties because they were not in a site of interest to the government. Lubicon Lake Nation was missed in the signing of Treaty 8²¹. They are without a reserve, and therefore in the longest running unresolved dispute related to Indigenous lands in the world²². The Nation has suffered environmental, economic, social, emotional, psychological, cultural and spiritual damage through the continuous exploitation of their land. Destruction to the environment and the economy has led to a





significant decline in the Nation's health and an increase in welfare dependence^{23,21}. Fires and oil spills have continued to plague the area, while oil companies have made as much as \$1.2 million a day off the exploitation of Lubicon Lake territory²⁴.

Horizon Scanning: Key Factors for the Future

1) Agriculture and Rural Development - emphasis on agriculture and economic development

While the number of farms have steadily been decreasing²⁵, agriculture still remains a key factor in determining policy in rural areas. Unlike other industries, agriculture is the only industry with "a clear geographic sense of place"²⁶. The 2015 Alberta budget put 931 million dollars for agriculture and rural development. However, the budget did not specify how much money would be allocated to each sector. This fact illustrates a broader concern that agriculture has become synonymous with rural development within Alberta. Policy concerns that emerge are whether it is sustainable to rely

on agriculture as the sole industry associated with rural development and the potential for rural communities to have non-agricultural based economies²⁷. As the number of farms decreases, there will be more strain for rural communities to invest in non-agricultural industries²⁸. Thus seeing rural development as separate from agriculture is important for the long-term sustainability of rural communities.

2) Political change

The NDP's rise to power in May 2015 presents a dynamic shift in Alberta's political landscape. The NDP's large urban concentration and limited support in rural areas poses the potential for a rural-urban divide to emerge. However, the rise of the NDP does not necessarily mean that rural policy issues will be ignored. The simultaneous rise of the Wildrose Party as the official opposition and the party's strong support in rural areas means that the NDP will have to make rural issues a priority. Additionally, the NDP's recent plan to restore rural bus service²⁹, a service that was lost three years ago due to government budget cuts may be

indicative that the new government understands the value of rural municipalities. Research shows that rural areas that offer easy access to urban concentrations contribute significantly to the growth of rural communities^{30,31}. Since the maintaining and growth of rural communities is often seen as a significant barrier for rural municipalities,^{32,33} the re-implementation of a rural bus service may be useful for long-term policy making. Furthermore, the NDP's goal of diversifying the economy may mean that rural industries such as the agriculture industry may grow.

3) Oil reliance (Dutch disease)

Dutch disease occurs when revenues from natural resource industries decreases the competitiveness of the manufacturing industry³⁴. Dutch disease in Alberta can have significant policy implications. Dutch disease can lead to increasing levels of immigration resulting in extreme boom and bust cycles in terms of population³⁵. This results in the creation of shadow populations. Research indicates that communities with high shadow populations are at more of a risk for higher rates of crime and substance abuse³⁶. From a fiscal standpoint, shadow populations put a strain on rural communities because while these individuals use the services provided by rural municipalities, the money made by them is directed into other municipalities. This problem is illustrated by the decision made by councillors in Fox Creek to raise business licenses for hotels by 133,233% (a shift from a flat rate to a 4% of total revenue charge) in May 2015 due to the fact that the town was struggling to recuperate lost revenue from these shadow populations.

4) Amalgamation/Regionalization

Amalgamation is seen as one of the most controversial decisions with regards to municipal policy. While Alberta has never implemented forced amalgamation, the cutting of funding to municipalities in the 1990s did force some smaller municipalities to amalgamate as a result³⁷. This is not to say that amalgamation may not be an important issue in the future due to Alberta's land use framework and regionalized land use planning. However, it is still unclear what regionalization means for rural Alberta municipalities from both governance and service delivery standpoints.

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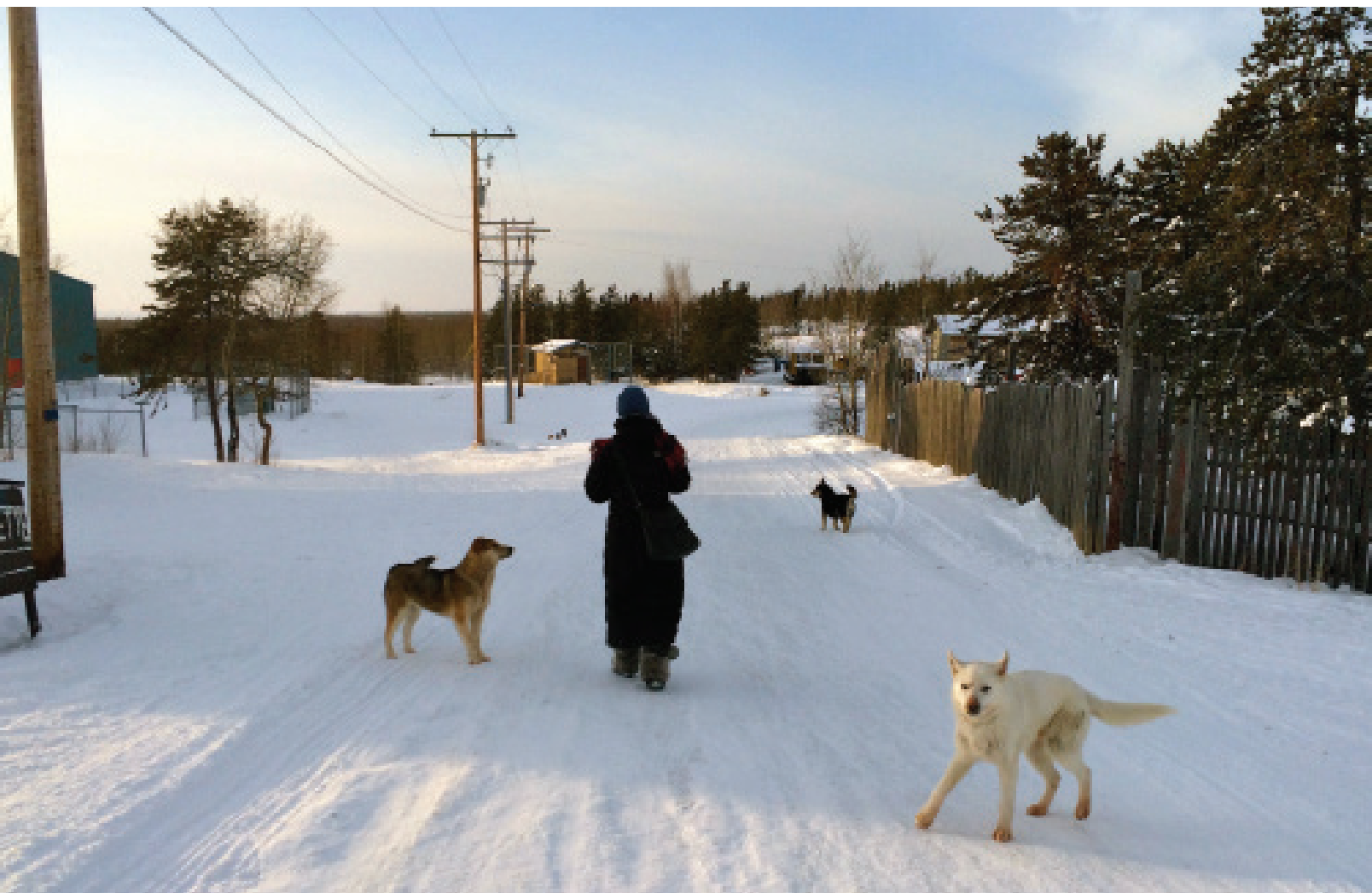
2.3

Saskatchewan

Heather Hall and Rose Olfert

Introduction

Over the last decade, Saskatchewan has seen a significant economic and demographic departure from its decades of decline¹. Driven by a commodity price boom, the provincial population grew to just over a million in 2011, an increase of about 5.5% from 2001². This recent growth has been largely concentrated in and near urban areas like Saskatoon and Regina, while rural Saskatchewan reveals a more nuanced reality of growth and decline. This chapter is divided into five key sections: an overview of rural local governments; a description of rural demographics; the rural economy; rural programs and support; a summary of the major rural Saskatchewan issues; and a short discussion of policy implications.



Rural Local Governments in Saskatchewan

There are 781 incorporated municipalities in Saskatchewan. This includes 461 urban municipalities (16 cities, 146 towns, 259 villages and 40 resort villages), 296 rural municipalities, and 24 incorporated municipalities in Northern Saskatchewan (2 northern towns, 11 northern villages, and 11 northern hamlets)³. While the majority of the population resides in “urban” municipalities (82%)⁴, about 150 of the villages and towns have fewer than 100 residents⁵. Rural municipalities were the only municipality type that experienced population decline between 2006 and 2011⁶.

Saskatchewan has the largest number of municipal governments per capita among the provinces. With 781 governments for a population of just over 1 million, there is a municipal government for every 1,323 people. Ontario with a provincial population of almost 13 times that of Saskatchewan has 444 municipal governments, or one for every 28,800 people.

Rural Demographics

While the provincial population has hovered near one million since 1931, the rural population* as a percentage of the total has declined steadily from 84% in the 1901 Census[†]. The rural population has also declined consistently in absolute terms since 1931, except for 2006-2011². Historically, the population switched from being majority rural to majority urban between 1966 and 1971. The remaining high percentage of rural at 33% is exceeded by only the four Atlantic Provinces.

The age distribution of the rural population reflects age-selective out-migration. The 20-44 age group accounts for only 27% of the rural population in 2011, compared with 36% in urban areas⁵. The rural population is also older, with 16% in the 65+

age group compared with 13% in urban areas. The vast majority (94%) of the small immigrant population in the province (6%) resides in urban areas⁵. As provincial and national economic activity concentrates in and near urban areas, the population redistribution is likely to continue, with implications for the types of government services and economic activity that can be supported in rural areas (e.g., more seniors’ centres and fewer schools).

The Aboriginal population of Saskatchewan (roughly 160,000) represents 16% of the provincial population⁷. Elliott⁷ reports that the average annual population growth rate, 2006-11, was 2.1%, compared with 0.9% for the non-Aboriginal population. Aboriginal people are also younger (34% compared with 17% under age 15), have less education (67% versus 87% completed high school), have lower employment rates (58% versus 84%) and have lower average annual income (\$23,606 versus \$41,230). Elliott⁷ distinguishes: On-Reserve (approximately 35% of the Aboriginal population); Off-reserve in rural and small urban areas (<10,000) (8%); and large (>10,000) urban (57%). Without exception the socioeconomic status of On-Reserve First Nation population is lower than that of the Off-Reserve population⁷. While there is already ongoing rural-to-urban and On- to Off-Reserve population redistribution, better access to Off-Reserve/urban opportunities would improve socio-economic outcomes of the Aboriginal population, especially given their rapid growth⁸.

Rural Economy

Saskatchewan has always been, and remains, heavily dependent on exports—in 2010 it had the highest per capita exports in Canada⁹. Historically an agriculture-based province, the economy has transitioned to a broader dependence on natural resources, including potash, oil, gas, and uranium^{10,9}. In both rural and urban areas the services sector is gaining prominence as is evident from GDP and employment data. While separate rural and urban data are not readily available, a somewhat dated translation of the industry structure into rural and urban for 2006 by the Canada West Foundation provides some indication of the rural share of GDP and employment (<http://cwff.ca/pdf-docs/publications/rural-all.pdf>).

Well established patterns of urbanization in the province are the result of centralization of both

* The rural population for 1981 to 2011 refers to persons living outside centres with a population of 1,000 AND outside areas with 400 persons per square kilometre. Previous to 1981, the definitions differed slightly but consistently referred to populations outside centres of 1,000 population (Statistics Canada 2011).

† While Saskatchewan was not a province until 1905, Statistics Canada provides 1901 population for the equivalent area for 1901 (Statistics Canada 2011).

private and public sector economic activity, leaving many rural communities with populations that fall below the threshold levels required to support these activities¹¹. Increasingly, access to urban areas, with their services and employment opportunities, is the most important determinant of the economic success of rural communities¹². As a result, development options for remote rural communities will rely on taking advantage of local niche market activities in a variety of sectors including services and natural resource activity.

Rural Programs & Support

Few provincial government rural-specific programs remain in Saskatchewan. The Ministry of Agriculture serves that industry, and there is a Minister responsible for Rural and Remote Health. Within the Ministry of Highways there is a Rural Highways Strategy in the Ministry of Highways¹³ while SaskTel has an explicit strategy for improving internet access in rural areas¹⁴.

The absence of a dedicated rural development Ministry or program stands in contrast to the 1980s and 1990s when there was a Department of Rural Development, and also Rural Development Corporations^{15,16}. From 1992-2009, 28 Regional Economic Development Authorities (REDAs) promoted a grassroots or community driven approach to economic development¹⁷. Funding for the subsequent 16 enterprise regions was ended in 2012¹⁸. For the north, the previous Department of Northern Affairs has been replaced by Northern Engagement within the Ministry of Government Relations, and there is a unit called First Nation, Métis and Northern Economics Development within the Ministry of the Economy. These changes reflect a shift in political and economic circumstances over the last decade. However, the demise of these programs removed the regional focus to economic development and financial support that is needed given the socio-economic challenges and other issues facing rural and northern communities¹⁹.

Federally, 13 Community Futures organizations offer support for rural community economic and business development²⁰. Western Economic Diversification (federal) provides assistance for innovation, business development and community economic development. There are also a number of federal infrastructure programs accessible by rural areas, including the Municipal Rural Infrastructure Fund and the Small Communities Fund in the Provincial-Territorial

Infrastructure Component (PTIC)²¹. However, the program criteria for small communities includes municipalities with fewer than 100,000 people, which may mean rural and northern communities are competing against urban centres for funding.

Rural municipalities are represented by the Saskatchewan Association of Rural Municipalities (SARM), which describes itself as “The Voice of Rural Saskatchewan” and assists municipalities with:

- Interpreting provincial and federal legislation;
- Reviewing legislation that affects rural municipalities;
- Lobbying government to bring about changes to legislation; and
- Communicating important political developments to members.

In Northern Saskatchewan, New North is a municipal organization dedicated to improving the lives of people through advocacy and capacity building. New North has worked extensively to address housing issues through forums and other initiatives^{22,23}. The Northern Municipal Trust Account disburses revenue from property that becomes vested to the Minister²⁴. In addition, a Northern Labour Market Committee focuses on labour market and economic development issues in the region²⁵.

All municipalities in Saskatchewan have access to the provincial municipal revenue sharing program (1% point of the 5% provincial sales tax) to support the delivery of community services. In 2014-2015 rural municipalities will receive \$72.61 million and northern communities \$19.16 million²⁶. Northern municipalities can also apply to the provincial northern capital grants program and the northern water and sewer program²⁷.

Rural Issues

Key issues facing rural areas include infrastructure maintenance and upgrade (including access to drinking water), access to quality health care and education, demographic trends, and appropriate access to decision-making. Saskatchewan has roughly 190,000 kilometers of rural roads, the most per capita in any jurisdiction in the world²⁸. There is evidence, however, that rural roads and bridges are deteriorating across the province²⁹. Increased traffic in recent years, especially industry traffic on roads designed to move people and products is a particular challenge³⁰.

Access, connectivity, and distances between communities are particularly challenging in northern

Saskatchewan, especially for communities dependent on fly-in/fly-out access and winter roads. The cost of living in far north communities is extremely high—a 2litre carton of milk can easily cost \$12.00. Also concerning is the number of communities that lack access to potable water. According to Health Canada³¹, as of April 30, 2015 at least 27 First Nations are under drinking water advisories.

The rural-to-urban population redistribution is expected to persist. For communities outside the influence zone of urban centres, this implies an aging population and low or negative rates of population growth¹⁰. School closures and the loss of other public (e.g., health care) and private sector services will accompany population decline. Access to quality health care and education is dependent on threshold size populations to support those services. Complicating matters is the very large number of rural municipalities making cooperation in economic development efforts difficult—competition is more common. The young and rapidly growing Aboriginal population is a tremendous resource as well as a challenge in terms of full participation in the economy.

Finally, both rural and northern communities often perceive they are not adequately included in what is seen as centralized provincial decision-making. Consultation with only key stakeholders instead of widespread community consultations is a common practice. There is a fear that policies are created with limited understanding of the unique challenges and opportunities facing rural and northern regions²².

meaningful economic development activity. Further, the large numbers result in very high transactions costs of cooperation for mutual benefit. Some real or de facto municipal government amalgamation is long overdue.

The vast rural road network must be rationalized through upgrading some roads and abandoning others; broadband access is of key importance for both population and business retention. New technologies to deliver education and health services to a small and dispersed population will improve quality and reduce costs. A sustained effort to improve education, health and social outcomes for the Aboriginal population, both On- and Off-Reserve is likely to have high payoffs. Policies and programs need to ensure that rural and northern communities participate fully in the province's economic growth.

Policy Implications

The future of rural Saskatchewan depends first on accurately assessing the challenges and opportunities. Long term trends in the urbanization and concentration of economic activity, and the resulting population redistribution, will continue. The fabric of rural Saskatchewan that characterized the period of growth through the first half of the 20th century will not be recaptured. Instead rural opportunities lie in good and efficient government for the rural population, providing broad-based (not sector specific) support to encourage local entrepreneurship, and ensuring transportation and communication access to economic opportunities, globally as well as locally. The very large numbers and small sized governments, originating before WWI, now largely preside over areas that are much too small for

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2.4

Manitoba

Bill Ashton, Stephanie LaBelle, Ruth Mealy, and Wanda Wuttunee

Introduction

The Rural Development Institute at Brandon University celebrated its 25th anniversary in 2014 and marked the occasion by publishing a series of Rural Factsheets and hosting two workshops with a variety of rural stakeholders. A summary paper was then written that highlighted the information from both the factsheets and the workshops¹. The summary paper captured the essence of rural Manitoba and the highlights of that report are a fitting introduction to this paper:

- Rural Manitoba is growing, although growth is uneven and depends on proximity to urban areas or natural amenities, immigration, and Aboriginal populations.
- There is an aging population and an aging workforce which may pose labour shortages.
- Essential and business services are at risk in communities where population is declining below the threshold necessary to support these key services.
- The sectors driving the rural economy have shifted from primary agriculture to wholesale and retail, manufacturing, healthcare, and natural resource development.
- Farms have continued to grow, although employment in primary agriculture has declined, shifting from small family farms to larger corporate owned structures.



In order to address these challenges, communities in rural Manitoba are encouraged to:

- Focus on population growth strategies such as immigration and youth retention and attraction strategies in areas where population has shown consistent decline. Growth strategies can also be used to support succession planning in communities of decline to ensure threshold population levels sufficient to maintain basic key services.
- Target growth opportunities in sectors outside of agriculture such as food and agri-product processing, tourism, recreation and other service industries. Focus on building infrastructure such as highways and rail lines, which are necessary to move goods and services and support the growth of rural economies.

Aboriginal populations are growing in Manitoba, while health and social issues have hindered growth and development within Aboriginal communities. Efforts towards self-governance, addressing food security and collaborating with neighbouring municipal partners are all emerging as strategies that Aboriginal leaders are adopting to try to address these issues.

In summary, rural Manitoba has an aging and in places growing population, with a diversifying economy, and some communities are exploring collaboration as a way to approach common issues and opportunities. This chapter examines demographics, governance, rural economy, and Aboriginal communities as critical factors of rural Manitoba's future.

Demographics

Manitoba continues to experience a changing demographic landscape. About 489,000 or 40% of Manitobans live in non-metropolitan areas, which is higher than the national average of 30%². While rates of natural population increase are generally higher in Manitoba, out migration is greater than net births, and is a significant component of population dynamics.

Another dynamic in Manitoba is that there is both growth and decline in rural areas of Manitoba. Growth is occurring primarily in rural areas adjacent to Winnipeg and Brandon, while there is a trend towards population decline in the Parkland and several municipalities in the southwest. Growth and decline in rural Manitoba is dependent on other factors such as proximity to natural resources, level of immigration, and business investment. Neepawa, for example, saw population decline for three decades, until the re-establishment of a pork

processing plant in the late 80s, which resulted in a need for a larger workforce than was available in the region. Immigration attraction efforts in the 2010's have resulted in rapid population growth to this otherwise agriculture-dependent community³. Generally, populations are ageing the further one travels west beyond metropolitan Winnipeg, and where the communities' average age also increases⁴. Yet, in the north of Manitoba, with growing Aboriginal populations, the average age of communities is much younger. This highlights the need for good governance at all levels, to ensure rural and Aboriginal leadership can effectively manage the changing demographic landscape.

Governance

The last several years has seen significant changes regarding the roles of governments in rural communities, particularly with issues of rural economic development, immigration, and amalgamation.

Provincial governments withdrew funding for the seven Manitoba Regional Development Corporations (RDCs) in 2012. All RDCs closed except for the Southwest Regional Development Corporation⁵. The mandate of these organizations was to support and encourage economic growth and diversification in rural areas. The RDC program has not been replaced. Yet, since 1995 the Federal government has funded 269 Community Futures regional economic development corporations across the nation, with 16 in Manitoba. Collectively across Canada, these corporations have invested \$3.7 billion in rural Canada and created or maintained 465,000 jobs⁶.

There have been over 100 Community Development Corporations formed in Manitoba since the early 1960s, with most forming in the 1990s to take advantage of provincial government support and funding for local loan pools. Today there are 65 active CDCs⁷. There is a wide range of capacity in communities to manage and support these corporations and many have struggled over the years with capacity issues and lack of support from provincial and local governments. Most are operated by volunteer boards, and few have full and part time staff. The resources local governments provide for local economic development initiatives continue to be sporadic and often left to the interests of local leadership. Equally important local partners are the 50 Community Foundations located across rural Manitoba, which are also contributing resources and making significant investments year over year⁸.

Local and provincial supported regional economic development structures, programs and processes are important to ensure rural communities can create and initiate opportunities for economic growth and development. Markey et al.⁹ and Blakely and Bradshaw¹⁰ stress the importance of having an organizational structure in place as a key component in an effective community economic development. What is often missing is the inter-organizational coordination at the local to provincial levels for continuous exploration and pursuit of regional assets.

Manitoba was noted as having an excellent settlement service approach, with a range of services for all immigrants. As a result, Manitoba had some of the highest immigrant retention rates in Canada, many of them settling in rural Manitoba. In fact, while most provinces have 4-6% of new Canadians settling in rural areas, Manitoba attracts over 20% of new arrivals in rural areas¹¹. Support for immigrants and their families is necessary in ensuring they continue to come to Manitoba, settle and remain in rural communities. However, there has been a recent setback with the 2012 federal budget which terminated an immigrant settlement accord with Manitoba, and changed the service delivery paradigm in Canada. Besides the rapid policy change, this left gaps in services for many settlement service organizations, as reported in a recent study of 29 communities across western Canada¹².

According to the Municipal Act, the minimum population threshold to form a municipality is 1,000 people. In 2012, the Manitoba government initiated a province-wide municipal amalgamation for communities falling below this population threshold. Municipalities were tasked with selecting their amalgamation partners. By January 2015, 107 partnered to form 47 new rural municipalities¹³. The number of municipalities decreased from 197 to 137.

The provincial government claimed that amalgamation would be more efficient and increase capacity for economic development. There were concerns over the short timeline to complete the process, and questions regarding the administrative and financial efficiency brought by amalgamation. The Association of Manitoba Municipalities argued in court that the province should have allowed voluntary participation in amalgamation, but the case was overturned and amalgamation proceeded¹⁴.

As a public policy, the amalgamation initiative can

be seen as a way of strengthening rural communities, as local government capacity continues to be instrumental in rural growth. While the municipalities are larger, however, governing bodies are still challenged to reverse declining population, and encourage growth. Local government organizations, institutions, businesses, entrepreneurs, and residents, need to work cooperatively and invest in their communities.

Too often, new public policy brings about significant and unexpected change. There is a need for meaningful consultation prior to new policies and programs so those affected can help shape the final policy. There is equal concern and need for consultation during implementation as well, to effectively realize intended benefits and reduce negative impacts. Knowing provincial and federal government programs and policies can be politically motivated, and may not thoroughly consider the impact on rural people and communities, community engagement becomes even more important. Consultation enables a region to respond effectively to policy changes and major economic crises. When a large sawmill closed in eastern Manitoba, several First Nations communities recognized the need to work together to address the situation. Broken Head, Sagkeeng, Black River, and Hollow Water First Nations are now finalizing negotiations for a forest management license, and are doing feasibility studies to operate their own sawmill. They intend on using wood to build houses and to meet local needs of the community¹⁵. Such community forests and related management responsibilities are an example of how communities can work together to positively impact local development and improve quality of life.

Managing growing communities in rural Manitoba as well as those that are declining require additional support for regional economic development. Creating support infrastructure needed to sustain rural communities largely depends on the capacity of local governments. An approach like Québec's regional pacts, would help coordinate investments into rural regions in Manitoba from as many as 11 provincial departments. Within the planning regions of Québec, stable and growing municipalities are provided an incentive to assist 'lagging communities' so they all benefit¹⁶. Such a top-down and bottom-up approach seems promising as a possible example of a policy and program that could be implemented to support struggling municipalities in Manitoba.



Rural Economy

Manitoba has a much diversified economy and non-metro Manitoba has contributed a significant 35% of its GDP each year from 2002 to 2012. Over half of this contribution comes from goods producing sectors (e.g., agriculture, mining, forestry, oil and gas, construction, utilities, manufacturing)¹⁷. In Canada, the average non-metro area contribution to GDP is about 30%, so rural Manitoba contributes more to the provincial economy than the Canadian average.

In terms of employment, the four largest sectors in non-metropolitan Manitoba are: health, wholesale and retail, manufacturing, and agriculture. Employment in non-metro Manitoba has grown steadily from 1997 to 2014, driven by growth in the service sector. Employment in the goods-producing sector declined during this time, due to a large loss of jobs in Agriculture, even though there was job growth in manufacturing and construction. The health sector has added more than half of all growth in employment in the services sector, followed by growth in Wholesale and retail, Educational services, Accommodation and food services and Transportation and warehousing¹⁸.

According to Manitoba Trade and Investment, agriculture accounted for 3.3% or \$1.7B of Manitoba's

GDP in 2013. The average net income per farm was \$92,000, and there are approximately 16,000 farms and 22,000 farmers in Manitoba¹⁹. Floods and droughts have placed stress on producers, and provincial support programs are also under stress due to these weather-related incidents. Manitoba's food and beverage industry is the largest manufacturing sector in the province, with 26% of total manufacturing sales, bringing in \$4.6B to the provincial GDP²⁰. Most of this industry is located in or around Winnipeg, although 290 of 444 food processing and distribution facilities are located outside of Winnipeg.

Manitoba Trade and Investment also report that Mining is the second largest resource industry after agriculture and food and that it generates 7% of Manitoba's GDP (\$3.1B in production).

An increase of food and agri-product processing in rural Manitoba would help to diversify rural Manitoba's economy. Several programs, agencies, and organizations already exist to assist in developing these industries. The Food Development Centre is a non-profit, fee-for-service organization that assists Manitoba's agri-food industry to develop and commercialize food products. They provide access to food scientists, engineers, and technologists, equipment, and technologies. They have assisted with the commercialization of Manitoba's Harvest Hemp Foods, the Canadian Birch Company, and



Bothwell Cheese products, which are now found on the shelves of grocery stores through the country. Other institutions such as the Composites Innovation Centre and the Richardson Centre for Nutraceuticals and Functional Foods all support new innovations and development in food and agri-product processing. Many of these activities are resulting in the creation of new businesses and/or jobs, some of which are located in rural areas.

Aboriginal Communities

In 2011, there were 195,895 Manitoba residents with a self-identified Aboriginal identity (First Nations, Métis, and Inuit), which represents 17% of Manitoba's population. This number is higher than in all other provinces, yet lower than those of northern territories. Within this group, 114,230 identified as First Nations, with 27% residing in the Winnipeg area, and 73% in non-metropolitan areas²¹.

Aboriginal people remain at higher risk for diabetes, heart disease, obesity, and mental health, among many other diseases. There is no doubt that there are infinite links between income, social factors, and health. Nonetheless, many communities have taken steps towards controlling factors affecting health of community members by first alleviating food insecurity. Understanding and growing food, and utilizing this within the scope of increasing food security is multilayered. For many, the current focus is on food security with many communities examining land management and agriculture as a means to address their food supply while increasing economic opportunities. Such initiatives are involving youth and instilling healthy lifestyle choices.

One effort at St. Theresa and Island Lake had mixed results when the community decided to serve local food as a means of stimulating local economy, and of providing healthy food to children in school cafeterias. They were unable to do this due to government policies regulating public health standards that restrict the use of any wild meat or fish not processed by the Freshwater Fish Marketing Corp¹⁵. In Hollow Water, there is a professionally trained chef from the community that works with Frontier School, and has taken 2000 youth on the land to hunt and fish, and then teaches them to cook in the bush¹⁵. These are examples that highlight just a small portion of the community-based projects that focus on addressing food insecurity.

Recently, Manitoba has seen many initiatives,

relationship-building, and cooperative efforts with First Nations communities and municipalities as a means of encouraging mutual economic development. The Municipality of Sifton and Sioux Valley First Nation have signed an economic development agreement and are working on joint projects. In addition, Opaskwayak Cree Nation, Town of The Pas, and Rural Municipality of Kelsey have signed a Friendship Accord, outlining 'government-to-government' relations, and are committed to the development of a regional economic development plan and process to work together on joint initiatives. These three communities were part of the Community Economic Development Initiative (CEDI) pilot project led by the Federation of Canadian Municipalities (FCM) and the Council for the Advancement of Native Development Officers (CANDO). The CEDI initiative will include the development of a Toolkit (<http://www.fcm.ca/home/programs/community-economic-development-initiative/about-the-program.htm>) to assist other communities to work together. Another powerful result from this pilot project was that the youth of the communities also developed a friendship accord to ensure coordination of joint-initiatives and projects.

Recommendations

Flexibility in Engagement, Process and Approach

Increased emphasis on the importance of governance, in ensuring rural and Aboriginal communities can effectively manage changing demographic landscape and impact their own local economies. Growth is uneven in Manitoba, so rural policies and programs need to be flexible to address different needs of rural and northern communities.

Shifting the Paradigm towards Cooperation

The municipal amalgamation initiatives are not enough to ensure surviving municipalities, let alone thriving rural regions will contribute to provincial prosperity. Creating healthy and sustainable rural communities largely depends on the capacity of local governments. To increase the capacity of local governments, provincial economic development agencies could take on more of a dual approach: one supporting growing communities to thrive and another aimed at helping communities and regions drive their own development. Both approaches need to take the 'long view' and Québec's regional pacts, with decades of evidence of measured success, is a great starting point for Manitoba, and possibly

the rest of Canada. Although programs seem to be in abundance, what is often missing are two essentials: awareness of the programs at the local level and ability for government agencies to assist communities given their varying levels of limited capacity.

Need to Improve Economic Innovation and Resilience

Developing a meaningful economic development strategy and vision for rural Manitoba are the starting point for a robust economy. There is a need to embrace innovation, particularly in food and agri-product processing and manufacturing, which would improve resilience. If Manitoba is to move to a more diversified and holistic economy, there needs to be an increase in support from higher levels of government to develop social, local, and environmental capitals in rural and northern communities and regions.

Continuous Involvement of Aboriginal communities for a Brighter Future

Emphasis on improving food-security will foster a transition among many communities towards health and self-sufficiency. In rural regions, partnerships between municipalities and Aboriginal communities can only increase opportunities in community development that will benefit from the involvement of a wide range of stakeholders.

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2.5

Ontario

Al Lauzon, Norman Ragetlie, Wayne Caldwell, and David Douglas

Introduction

The concept of rural is complex and has multiple meanings, depending upon the context in which it is used. Rural and remote Ontario is complex and diverse, with differing “rurals” facing their own unique set of opportunities and challenges. Ontario communities can be characterized by five types of rural regions/communities: urban fringe communities, agriculture communities, cottage country communities, the mining and mill towns of northern Ontario, and Aboriginal communities. Each of these regions/communities has their own socio-economic trajectory and are characterized by diverse cultural milieux and varying degrees of dependence on the performance of key economic sectors. Hence to make broad generalizations about the state of rural Ontario is problematic. This raises the challenge that is presented in Chapter 1 of this report where the idea of developing a ‘one size fits all’ rural policy is questioned. Rural, in many ways, is synonymous with diversity. Within non-metro Ontario there are 393 communities, 52 that have less than 100 residents and 288 with between 1,000 and 24,999 residents; the smaller the community the greater the challenges of providing services and maintain infrastructure for those citizens.



Rural Ontario Population: An Overview of Changes and Continuities*

For the purpose of this chapter we will focus on non-metro census divisions (CD) within Ontario. These census divisions and few jurisdictions outside the urban commuting zones in the partially non-metro census divisions account for 2.6 million Ontarians or 20% of the province's population. Of this population 1.4 million live in areas under 10,000 in population and 1.1 million live in smaller cities under 100,000 but over 10,000. Despite Ontario having the lowest percentage of rural residents in Canada, it does have more rural residents than other provinces.

Overall, non-metro Ontario has experienced continuous growth in each five year period since 1986. However, that growth has slowed. For example, between 1986 and 1991 non-metro Ontario grew by 8.8% whereas between 2006 and 2011 growth has only been 0.5%. This is partially a function of a reclassification of some CDs. There were fewer Ontarians residing in non-metro CDs in 2012 than in 1996 because several large towns became urban as a result. The Ontario Ministry of Finance¹ in looking at future population projections for non-metro CDs up to 2015 project a decline of youth (0-19 years of age) in all non-metro CDs, a decline of young adults (20-44 years of age) in over half of the non-metro CDs, increases in most non-metro CDs for middle aged adults (45-64 years of age) and projected growth in all non-metro CDs for those over the age of 64.

One way of compensating for declining populations, particularly working age populations, is by attracting and retaining immigrants. However, non-metro CDs in Ontario have not been very successful and in 2013 only 1,601 of 105,818 Ontario immigrants settled in non-metro CDs. Clearly if non-metro Ontario is to maintain their working-age population then they must find a way of attracting and retaining immigrants to their communities, retaining their youth, or otherwise attracting young adults to their communities. Many non-metro CDs outside the urbanizing fringe are seeing older people graduate out of the usual working age range than younger workers entering it. In these situations low unemployment rates are not necessarily an indicator of a growing

number of jobs available in the local economy, but of less people available/looking for them. In that context succession planning of existing business and finding skilled workers becomes more of an economic development priority.

Aboriginal Population

The Aboriginal population in Canada is growing faster than the rest of the Canadian population because of higher birth rates. Given this growth, and that Ontario has the highest number of Aboriginal people in Canada—301,450 in 2011 (followed by BC with 232,400), they offer a potentially important human resource. Furthermore, 117,680 Aboriginal peoples lived in non-metro CDs and 3 non-metro CDs have more than 20% of their population with an Aboriginal identity while 10 CDs have more than 6% of their population with an Aboriginal identity. Given the growth in this population an increasing number of workforce entrants will be Aboriginal, particularly in the northern part of the province. The development of skills and levels of education that satisfy the aspirations of the Aboriginal identity population is an investment that could have a significant impact in regions with otherwise problematic labour force development situations.

Economic Opportunities and Challenges in Rural Ontario

Much of the mainstay of the contemporary rural Ontario economy has been the manufacturing sector. However there has been a precipitous drop in the number of jobs in that sector over the last number of years. Rubin² has attributed much of this decline to a federal preoccupation with aspirations to become an "energy superpower." As a result of the emphasis on the energy sector, particularly the development of the oil sands in Alberta, Canadian currency increased in value eventually reaching parity with the United States currency. According to Rubin, this had disastrous results for the manufacturing economies of Ontario and Québec (e.g., manufacturing declined 5% between 2004-2010)². Despite the job decline in the manufacturing sector, non-metro CDs have maintained their share of manufacturing jobs relative to metro CDs with a high of 21.7% of manufacturing jobs in Ontario in June 2012 to a low of 19.7% in

* The statistics reported in this section and the following sections come from the Ontario Rural Institute's Focus on Rural Fact Sheets for 2013 and 2014 unless otherwise noted. It should be noted that Dr. Ray Bollman was instrumental in developing these fact sheets.

mid-2001. Others have argued that Ontario has suffered a decline in the manufacturing sector as companies move production facilities off-shore to take advantage of lower wages and weaker environmental regulations. Armstrong³ reports that despite the optimism for the manufacturing sector with the decline of the Canadian dollar, there has not been the anticipated growth; he argues that many of the manufacturing firms simply left Ontario in the wake of the 2008 financial crisis. A recent Mowat Centre⁴ report on manufacturing in Ontario has argued that there has also been a significant decline in the Ontario manufacturing sector as measured by a decline in its proportion of Ontario's GDP, declining in Ontario from 21.7% in 2002 to 12.7% in 2014. It is further argued that the sector is at a crossroads and that a prudent strategy would be to focus on the high end of the global value chain (GVC) (i.e., automotive, chemicals, computer and electronics) and not worry or invest in the lower end of the GVC (i.e., leather, textiles, wood production etc.). It is further argued that Ontario, Canada, and developed economies in general, cannot compete with emerging and developing economies on the lower end of the GVC. But even the higher end of the GVC is not necessarily safe. As the geographical centre of the auto industry moves south it raises question of the potential health of the automotive sector⁵. The Mowat Centre report concludes that while manufacturing is likely to remain an important part of the Ontario economy it is not likely to return to the historic number of jobs or GDP in the near future. This has and will continue to affect rural Ontario, especially southern Ontario.

While we have seen a significant decline in the manufacturing sector in southern Ontario, the development of the mineral sector in northern Ontario in general, is enjoying a recovery from the recession of 2008/2009. For example, in 2014 Ontario mineral production values reached \$11 billion and Ontario accounted for almost 25% of the total share of Canadian mineral production. Despite the downturn in mineral revenues following the recession of 2008/2009, both revenues and employment opportunities continue to grow and employ approximately 256,000 people in the mineral cluster. A related development is the Ring of Fire in northern Ontario where it has been argued to hold great economic potential for the province⁶. As Allan O'Dette, president and CEO of the Ontario Chamber of Commerce recently wrote, "This globally significant mineral deposit in Ontario's Far North is one of the provinces greatest economic development opportunities in a generation"⁷. To date, however, the results have been disappointing

as they encountered numerous obstacles such as an infrastructure deficit given their remote location and negotiations with Ontario's First Nations. At this point, there is little optimism around the Ring of Fire's development. Despite the absence of optimism for what was once a promising development⁸, the Conference Board of Canada⁹ did note that metal and non-metallic output in Canada is expected to grow by 91% between 2011 and 2020. This bodes well for this sector in Ontario.

The forestry sector also makes a significant contribution to the economic wellbeing of Ontario. Revenue from sales in 2012 was \$11.5 billion with \$6.6 from pulp and paper, \$3.1 billion from sawmills, engineered wood and other wood product, and \$1.8 furniture/kitchen cabinet making. Furthermore, the Ontario government reports that in 2012 the industry employed 55,600 people directly and 170,000 people indirectly. While the sector has faced significant challenges in the past, the rebounding housing market in the United States in conjunction with an increasing global demand for pulp is supporting increased demand and higher prices¹⁰. It is also speculated that there are emerging opportunities to create and manufacture value-added products (e.g., rayon fibre made from pulp). However, it is still unknown what the impact of climate change will be on Ontario's forests or the sector. Despite the positive outlook on forestry and the mining sectors, they currently constitute only 2% of the non-metro CD jobs.

Within Ontario's agricultural sector there are different and somewhat contradictory indicators. While the number of farms in Ontario dropped from 59,728 in 2001 to 51,950 in 2011 total farm cash receipts grew by nearly 3 billion dollars over the same period to more than 11.1 billion dollars in 2011. While changing, the Ontario agricultural industry remains the most diverse and productive in Canada. The province includes more than half of all of Canada's class one farmland and the two best agroclimatic zones. Ranking 4th in total area of farmland by province, Ontario does have the most farms in the country (with more than 25% of all farms in Canada). The trend to larger and more productive farms, however, does present certain challenges for rural communities. While the agri-business sector remains strong, the overall consolidation in agriculture has contributed to declining farm numbers, which in turn has contributed to rural depopulation in some areas. Agricultural intensification has also contributed to a number of issues ranging from water contamination to concerns over odours to conflict within the countryside.

Moving into the future the agricultural sector is likely to remain a focus of attention. While some communities benefit from the current approach to agricultural production, there are renewed opportunities connected to a more local approach to agriculture reflecting the local food movement and organic agriculture (e.g., in Ontario the province has adopted the Local Food Act at the same time as there has been growth in farmers markets and Community Supported Agriculture (CSA)). In the future, some communities will be able to harness these opportunities as an economic strength, while other will see a decline in agricultural capacity.

The fourth sector we wish to address is the Ontario public sector, particularly the health and social assistance sector as it is the second largest employer in Ontario rural regions/communities. Given the fiscal deficit in Ontario there is a need to reduce the costs of services, especially in healthcare that accounts for over 40% of the provincial budget. As the provincial government looks for ways to reduce costs in this sector we are likely to see a rationalization of services and this may lead to a decline in the number of jobs in in this sector; this sector accounts for 14% of non-metro employment.

The final dimension is the creative rural economy and how it might enhance the wellbeing and quality of life of rural people in Ontario. The creative economy essentially argues that creativity is an inherent part of economic life and that economic and cultural development are not separate, but part of a larger process of development. In this context it is ideas, creativity, and innovation that drive the economy. Much of the discourse has been urban-centric and arguments have been made that rural communities do not lend themselves to the development of creative economies¹¹. While there may be special challenges, rural communities can "grow" creative economies (i.e., Prince Edward County), however, the "jury" is still out on its effectiveness as a rural economic development strategy.

Overall, jobs declined in non-metro CDs from October 2012 to June 2013. Furthermore, the actual decline is larger than the 2001 recession and is approaching the depth of decline of the 2009-2010 recession whereas metro CDs continue to grow; the only exception to this was the recession of 2009-2010.





Discussion and Conclusions

What does the future look like for rural and remote Ontario? In many ways, given the differing types of rural Ontario and the variance among them in terms of historical development trajectories, at first glance there appears to be little that can be concluded in general other than that local collaboration and leadership does make a difference in how a regional economy responds to shifts in commodity prices and changes in sectoral competitiveness. Differing regions/communities have had differing degrees of success, some thriving (i.e., Haliburton), while others continue to struggle with population loss (i.e., Renfrew). As noted in Chapter 1, there is a shift in policy development with a greater focus on place-based development whereby policy is created that allow communities to respond to economic opportunities and challenges by capitalizing on local and regional assets. This raises the issue of capacity and how the necessary capacity for collaboration and cooperation is developed? This poses a challenge to governments at all levels. In this chapter we have highlighted a number of economic opportunities/challenges: the manufacturing sector, the mineral and forestry sectors, agriculture and the development of the creative rural economy. In

addition, we highlighted the public sector with a focus on the health and social assistance sector. Economic development will vary dependent upon geography, historical socio-economic development trajectory and having the right skills and knowledge sets available in the local and regional population. In addition, each of these opportunities/challenges is characterized by the necessity of labour force development. Rural Ontario, as has all of rural Canada, experienced and continues to experience a human capital deficit as measured by educational levels when compared to urban Ontario and Canada. The issue of human capital is exacerbated by the changing demographic profile of rural Ontario. The economic opportunities/challenges identified in this chapter means having an adequate supply of an appropriately educated labour force if communities and regions are to capitalize on these opportunities. Given the dearth of training opportunities in rural and remote regions relative to urban Ontario, this will be a challenge. A labour force development strategy for rural and remote Ontario must take a multi-pronged approach and look for ways to address the following questions:

- How do we retain youth in rural and remote areas and provide opportunities to develop the appropriate skills and knowledge to participate in the regional economy?

- How do we attract working age adults with the appropriate skills and knowledge to rural and remote Ontario?
- How do we attract and retain immigrants with the necessary skills and knowledge to rural and remote Ontario?
- How do we develop the necessary educational opportunities and supports to ensure that Ontario's Aboriginal people have the opportunities to develop the necessary skills and knowledge to participate and succeed in emergent economic opportunities (this is especially important in the northern parts of the province)?

While we would often consider the development of appropriate skills and knowledge to be, at least partially, the responsibility of the private sector, workforce training in Canada is low relative to other developed economies; for example, Lauzon¹² reports that 30% of Canadians will participate in workforce training, whereas in the United States it is 45%. In Ontario that drops to 25%. Furthermore, it is the more highly educated who benefit from workforce training with 50% of those with a university education participating in workforce training and only 18% of those with a high school education or less participating. We can conclude from this given the deficit of human capital in rural areas of the province, rural people are less likely to participate in workplace training. There is a need for the federal and provincial governments to support the development of human capital in rural and remote Ontario either through the provision of resources to expand educational opportunities, and/or to provide incentives for industry to fulfill their responsibility in developing the labour force they require. Knowledge and skill development is required for rural Ontarians whether we are talking about developing the higher end of the GVC of the manufacturing sector, developing the mining and forestry sectors, or the development of the creative rural economy.

One of the challenges facing rural and remote Ontario is service provision. As the federal and provincial governments address the challenges of fiscal deficits, there are fewer dollars to provide services. Increasingly rationalization of government services to larger centres, driven predominately by shorter term fiscal decisions, is often leaving rural and remote communities at a disadvantage and increasingly there is an expectation that these communities/regions will provide the necessary supports for service provisions. This is proving challenging for many rural and remote communities and regions as they see their tax base decline, their

only major source of revenue. Clearly if there are greater expectations by the federal and provincial governments that regions and communities are responsible for delivering services etc., then the way taxes are shared need to be addressed to ensure that rural regions/communities have the necessary resources to deliver services to their citizens. It is no wonder that the intergovernmental transfers between levels of government are a constant item agenda for Ontario and national municipal associations. Place-based development informs us that it is the services and amenities within rural and remote Ontario that will make it an attractive place to invest in and live.

The future of rural and remote Ontario is uncertain. It is changing and transforming, and as always during periods of change and transformation, there are likely to be winners and losers. Creativity and innovation will be required along with an increasing emphasis on diversifying the rural Ontario economy at regional and local levels. A collaborative approach and strategic investments among and by the federal, provincial, regional and municipal governments will go a long way to ensuring a vibrant rural and remote Ontario, a place where people will want to live, gain livelihoods and invest.

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2.6

Québec

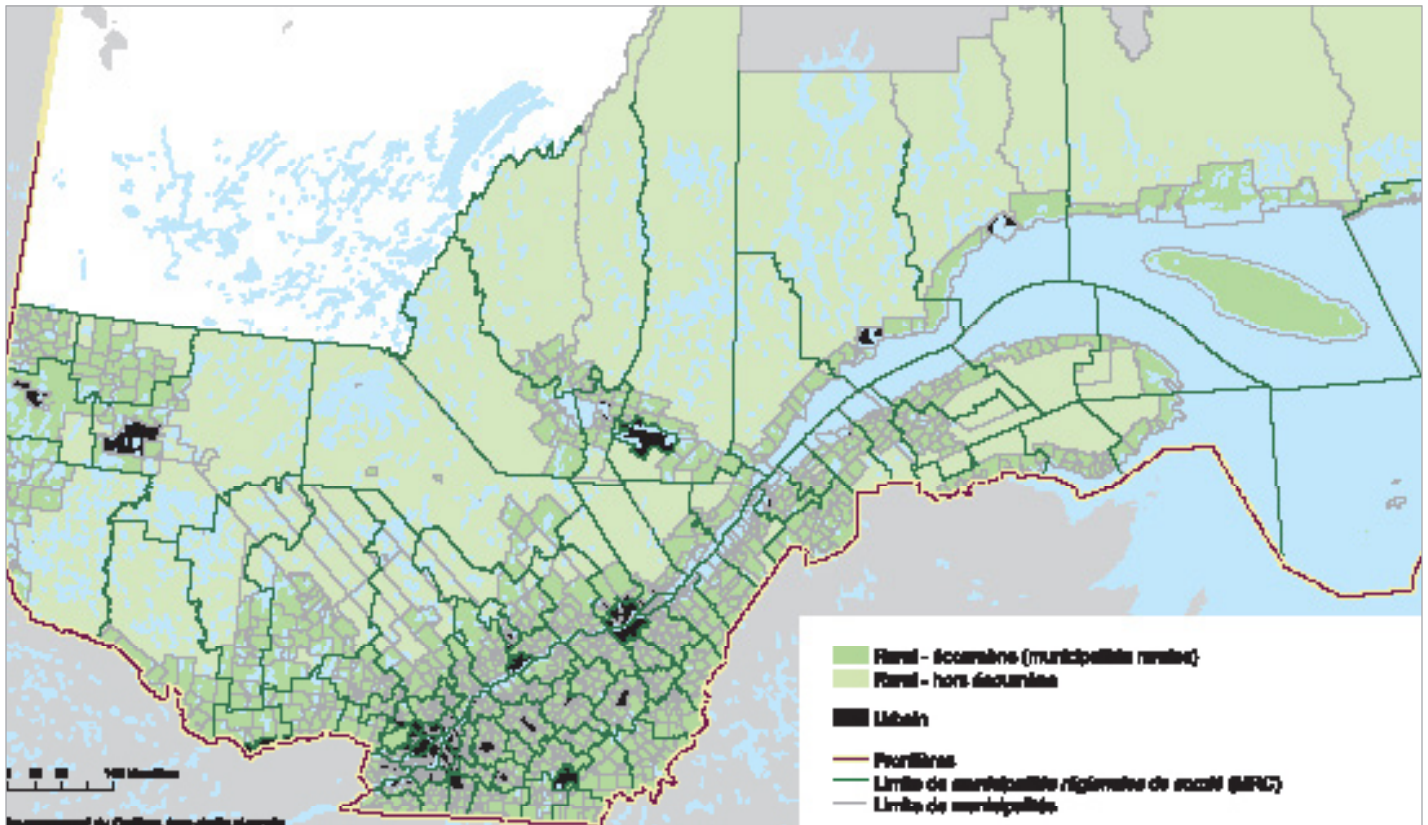
Laurie Guimond and Bruno Jean

Le Québec rural accueille plus de deux millions de résidents, soit près du quart de l'ensemble de la population québécoise¹. Si les ruraux occupent 90 % du territoire habité, ils se concentrent véritablement dans le Québec du Sud, en particulier dans les basses terres de la vallée du Saint-Laurent (carte 1). S'ajoutent à cet écoumène, des îlots de peuplement dans les Appalaches et dans le bouclier laurentidien. Le Moyen et le Grand Nord du Québec se caractérisent par un peuplement faible et discontinu, notamment marqué par la présence de petites villes et villages autochtones et non autochtones.

Cette géographie de la population et du peuplement est essentielle à la compréhension de la ruralité du Québec qui sera abordée ici sous les aspects suivants: démographie, économie, gouvernance; services de proximité; enjeux autochtones et nordiques.



Carte 1: Le maillage municipal du Québec rural : un millier de petites communautés



Source : MAMROT, compilation spéciale

Démographie

La population rurale au Québec connaît une croissance démographique depuis 1981, quoique manifestement inégale sur l'ensemble du territoire². Les milieux ruraux péri-métropolitains de Montréal et de Québec accusent une augmentation de population beaucoup plus marquée que celle des milieux ruraux au voisinage d'une ville moyenne et celle des milieux essentiellement ruraux des régions centrales. Les régions périphériques, dites régions ressources, connaissent une démographie fragile et instable particulièrement sensible aux aléas de l'économie et des politiques de développement territorial. Notons toutefois que la population des régions périphériques s'est accrue légèrement entre les deux derniers recensements de 2006 et 2011 comparativement à la décroissance souvent attribuée à ce type de milieu.

En général, la population rurale québécoise tend à se stabiliser, quoique ses phénomènes d'accroissement naturel et de vieillissement démographique s'apparentent à ceux observés en milieu urbain. Les mobilités et les migrations influencent remarquablement l'évolution démographique des milieux ruraux

québécois actuellement. S'il est vrai qu'avant les années soixante, ils ont souffert d'un exode rural, aujourd'hui, la réalité est tout autre. Les milieux ruraux, hormis les régions périphériques, accusent un solde migratoire interne positif.

Que ce soit pour des raisons professionnelles, familiales, personnelles, de loisirs et de villégiature, les ruraux et les urbains se déplacent pour habiter temporairement ou de façon permanente les campagnes québécoises. La présence accrue de navetteurs dans les milieux ruraux péri-métropolitains de Montréal et de Québec explique principalement leur remarquable accroissement démographique. Ces derniers proviennent des métropoles, mais aussi d'autres régions et privilégient s'établir en banlieue.

Les régions pourvues d'attraits paysagers, naturels et architecturaux attirent des urbains qui choisissent d'y élire domicile pour accéder à une meilleure qualité de vie, et ce, sur l'ensemble du territoire rural. Ce phénomène de la migration ville-campagne pose de nouveaux défis, comme l'embourgeoisement rural, l'accès au logement ou les conflits d'usage. Des travailleurs se déplacent pour œuvrer sur les grands chantiers, le plus souvent dans les régions

périphériques. De grands aînés quittent pour se rapprocher des soins spécialisés en ville. Les jeunes ruraux le font pour la scolarisation, l'acquisition d'expériences de travail ou de vie, mais plusieurs reviendront éventuellement au moment de fonder une famille ou de prendre leur retraite. Des immigrants, seuls, en famille (ex. : propriétaires asiatiques de dépanneurs) ou avec des concitoyens de leur pays d'origine (ex. : travailleurs agricoles saisonniers latino-américains) s'établissent sur l'ensemble du territoire rural québécois. Bref, d'importantes migrations et mobilités internes marquent profondément le Québec rural, auxquelles s'ajoutent, dans une moindre mesure, des migrations interprovinciales et internationales.

Économie

Comparativement à d'autres provinces ou territoires, l'économie rurale québécoise apparaît diversifiée avec des régions rurales structurées par des industries primaires reliées aux ressources naturelles comme l'agriculture, les forêts ou les mines mais aussi par des industries de transformation et un secteur tertiaire relativement important. Cette diversification de l'économie rurale québécoise est d'ailleurs devenue un atout majeur dans le cadre de la mondialisation actuelle et de la reconversion des économies rurales qu'elle occasionne.

Cette diversification passe par une recherche et développement (R&D) qui a su miser sur la seconde et la troisième transformation des produits primaires et des politiques publiques qui ont encouragé la nouvelle économie du savoir à s'implanter un peu partout sur le territoire québécois. Le Conference Board du Canada a constaté que l'économie rurale québécoise des 15 dernières années affiche un produit intérieur brut (PIB) avec un taux de croissance plus élevé que celui de Montréal et des autres milieux urbains.

Les différents indicateurs économiques montrent alors que les ruraux québécois se rapprochent des urbains en terme de revenus plutôt élevés, de niveaux de chômage relativement bas, et de participation au marché du travail. Le seul indicateur manifeste d'un écart significatif et constant entre les ruraux et les urbains, c'est celui de la scolarisation. Par exemple, 10% des ruraux détiennent un diplôme universitaire alors que 20% des urbains ont atteint ce grade. Près de 40% des ruraux n'ont pas terminés sur leurs études secondaires, comparativement à 20% en ville.

D'ailleurs, actuellement, dans plusieurs régions rurales, ce n'est pas le chômage qui inquiète mais bien le manque de main-d'œuvre qui freine la croissance des entreprises ou accélère le recours aux processus de production robotisés ou encore, l'embauche de travailleurs étrangers temporaires.

Les disparités régionales de développement restent fortes car les régions éloignées, souvent rurales, restent encore dépendantes des ressources naturelles qui vont assurer une prospérité qui se fait dans les grands centres urbains. Par exemple, le secteur agro-alimentaire (avec les produits des régions) crée plus de 50% des emplois et de la valeur ajoutée dans la grande région de Montréal. Des régions rurales productrices d'énergie hydro-électrique ne connaissent pas nécessairement un développement harmonieux de leur territoire. Au Québec, nous vivons aussi une situation paradoxale où la métropole montréalaise apparaît déconnectée de son hinterland et exerce une faible diffusion de son économie vers ces territoires; par exemple, le secteur de l'aéronautique ou de la pharmacie ne génère pas d'emplois en régions rurales. À l'inverse, les économies des régions rurales, sauf pour l'agro-alimentaire, sont intégrées dans l'économie continentale nord-américaine et ne profitent pas beaucoup à la métropole. De là la nécessité actuelle de repenser les rapports de complémentarité urbain-ruraux.

Gouvernance

La ruralité québécoise se caractérise par près de 1,000 petites collectivités ayant un gouvernement local reconnu. La majorité de ces municipalités compte moins de 1,000 habitants. Avec le relèvement des normes gouvernementales pour la gestion des matières résiduelles, la protection-incendie, les services de sécurité publique et de police, en plus du transfert de certaines responsabilités, les élus locaux sont souvent coincés entre des dépenses qui augmentent et des revenus municipaux (toujours limités à la richesse foncière) qui stagnent car il y a des limites à rehausser les taxes.

En 1979, le gouvernement du Québec instituait un palier supralocal, la MRC, entre les petites municipalités et son propre palier provincial. La Municipalité régionale de comté, au nombre d'environ 90, est un territoire d'appartenance qui regroupe une quinzaine de municipalités formant une entité qui s'est imposée dans le temps. Au Québec, la municipalité civile recoupe souvent le territoire des paroisses religieuses et donc historiquement,

le clergé qui a occupé un rôle déterminant dans l'évolution de ces municipalités, notamment aux plans de la gouvernance et de l'organisation de la vie communautaire. Les citoyens de chaque MRC ont généralement un fort attachement à ce territoire qui constitue une communauté humaine cohérente. Au départ, la MRC avait un mandat limité à l'aménagement du territoire mais elle est devenue un nouveau dispositif de gouvernance locale au sens où les municipalités délèguent souvent à la MRC l'organisation des services municipaux qu'elles ne peuvent assurer seules. Dans les régions rurales, les MRC sont devenues des instances cruciales au maintien de la qualité de vie des résidents comme pour le soutien au développement économique local par la mise en place des CLD (Centre locaux de développement).

Les politiques d'austérité actuelles, en faisant disparaître le palier régional qui permettrait une concertation entre les MRC d'une même région administrative, soit les CRÉ (Conférence régionale des élus), et en remettant la gestion des CLD aux MRC avec un budget coupé de moitié, viennent perturber un modèle de gouvernance locale et régionale qui était efficace et apprécié. Dans ce contexte, la Politique nationale de la ruralité (PNR), pourtant jugée innovante et efficiente par l'OCDE, est en danger de disparition. On veut transférer sa gestion aux MRC mais avec des budgets fortement coupés, il est à craindre que le soutien au développement rural sera variable d'une MRC à l'autre selon la sensibilité des élus aux questions rurales. Les disparités régionales de développement pourraient de nouveau s'accroître alors que la PNR en une seule décennie avait contribué à la réduire.

Services de proximité

Le maintien des services publics (comme les écoles primaires ou les bureaux de poste) ou privés (comme une petite épicerie de village et le petit commerce) a constitué une revendication relativement forte des milieux ruraux québécois ces dernières années, revendication qui a même alerté les médias et l'opinion publique. La généralisation de la logique marchande dans la prestation de ces services, avec la petite taille de ces marchés, a fait en sorte que les communautés rurales, petites par définition, ont vu leur milieu de vie se dégrader rapidement. De plus, une collectivité avec des services réduits perd son attractivité auprès des jeunes familles et le déclin démographique et économique s'accélère.





Les études du grand projet de recherche sur la New Rural Economy de CRRF ont bien montré que les ruraux jugent différemment la question des services en faisant une nette distinction entre l'accessibilité d'un service ou sa disponibilité. Pour les populations rurales, un service (par exemple, un dentiste ou un notaire) est accessible s'il est à moins d'heure de chez soi. Évidemment, il faut comprendre que les ruraux sont mobiles et ils doivent avoir des moyens de déplacement individuel comme l'automobile; pas étonnant alors qu'ils paient plus de taxes (sur l'essence) que la moyenne des Canadiens.

Par ailleurs, les ruraux jugent que certains services doivent être disponibles sur place comme une station d'essence, une école primaire et un bureau de poste. Le tissu rural québécois et l'armature urbaine sont tels que plus de 80% des ruraux sont à moins d'une heure d'une ville petite ou moyenne où la plupart des services sont disponibles. La situation de la ruralité québécoise en regard des services est plus confortable que celle d'autres provinces. Par exemple le temps de réponse pour un service ambulancier dans les Prairies peut dépasser 2 heures alors qu'il est en moyenne 20 minutes pour les ruraux du Québec.

Plusieurs recherches ont montré la créativité ou l'inventivité des ruraux, notamment par des arrangements inédits comme les « Ententes inter-municipales de services » pour maintenir des services comme la protection-incendie ou la gestion des déchets. Dans maintes collectivités rurales québécoises, nous avons constaté un fort dynamisme coopératif avec la mise sur pied de coopératives de solidarité dotant la communauté d'un centre multi-services où des acteurs des secteurs public et privé se partagent un édifice polyvalent commun qui apparaît souvent comme le symbole d'une revitalisation rurale.

Enjeux autochtones et nordiques

Près de 100 000 Autochtones représentant environ 1% de l'ensemble de la population habitent au Québec (Secrétariat aux affaires autochtones, 2012)³. Ils se répartissent dans onze nations faisant partie de ces trois grandes familles culturelles : algonquienne (innue, crie, algonquienne, attikamek, micmaque, abénaquise, naskapie, malécite), iroquoise (mohawk, huronne-wendat) et inuite. Près des trois quarts d'entre eux résident dans une communauté autochtone. Celles-ci se concentrent surtout dans les territoires du Nunavik (« la grande terre » en Nunavimmiutitut) et de l'Eeyou Istchee (« la terre du peuple crie »), près des centres urbains ou dans des milieux accessibles que par des chemins forestiers, par voie aérienne ou par bateau. Les autres résident le plus souvent en milieu urbain (Montréal, Québec, Gatineau, Saguenay, Sept-Îles, La Tuque, Val d'Or, Rouyn-Noranda...).

La géographie autochtone est donc hétéroclite au Québec et le territoire habité ne se restreint pas au Québec rural, d'autant plus que la mobilité et l'urbanisation marquent profondément la répartition spatiale des Autochtones. Par ailleurs, circonscrire au territoire autochtone la notion de ruralité n'est pas à propos, tel que relate un interlocuteur innu de la Côte-Nord : « *La ruralité n'existe pas pour un Autochtone. Nous habitons un territoire ancestral autochtone* » (entrevue). Si le lien entre ruralité et autochtonie s'avère superficiel, il va sans dire que ces territoires ancestraux sont surtout localisés dans les régions ressources et les Autochtones contribuent de manière importante aux économies régionales. C'est d'ailleurs le rapport à ces territoires et à

leurs ressources qui a favorisé l'émergence d'une gouvernance autochtone particulière au Québec.

En effet, d'importants gains territoriaux, administratifs, politiques et financiers ont été réalisés, dont les Conventions entre le gouvernement et les Cris, les Inuits et les Naskapis lors des projets hydroélectriques de la Baie-James des années 70. D'autres ententes ont été signées depuis et plusieurs sont en cours de négociations. Elles tendent toutes vers l'autonomie gouvernementale à différents degrés, en passant par des ententes de nation à nation (Paix des Braves, 2002), par la cogestion territoriale (Entente de principe d'ordre général entre les Premières Nations de Mamuitun et de Nutashkuan avec les gouvernements du Québec et du Canada, 2004), et à la gouvernance régionale (Entente de principe pour la création d'un gouvernement régional au Nunavik, 2007).

Avec la volonté de «développer» le Nord québécois en mettant en valeur le potentiel minier, forestier et énergétique et, dans une moindre mesure la faune, le tourisme et le secteur bioalimentaire, le gouvernement a dévoilé, en 2011, le Plan Nord. Celui-ci arbore clairement des visées économiques: investissements publics et privés, construction d'infrastructures, création d'emplois... L'aménagement et la valorisation du Québec septentrional seraient profitables à l'ensemble du territoire québécois. Ce plan a été relancé timidement en 2014 par le gouvernement actuel. Fortement influencé par le prix des métaux et les cycles d'expansions et de ralentissements, il en demeure à l'état embryonnaire. Malgré un souci d'inclusion des populations locales autochtones et allochtones, cette politique de développement sème la controverse en raison de ses impacts sociaux et environnementaux anticipés et des réelles retombées économiques tant pour les populations nordiques que pour l'ensemble des Québécois. Malgré les aléas de ce projet, le Plan Nord a suscité un regain d'intérêt pour le nord du 49e parallèle, territoire trop souvent occulté alors qu'il occupe près des trois quarts de la superficie du Québec.

Conclusion

Il est habituel pour les médias de décrire la ruralité québécoise comme un ensemble de communautés en déclin et qui doivent leur survie aux politiques publiques d'assistance. Or, comme on a voulu le montrer ici, la réalité rurale est toute autre car c'est seulement 20% des communautés rurales

qui sont considérées comme « dévitalisées ». Les différentes économies rurales se sont améliorées et la production en provenance des régions rurales contribue significativement à la prospérité du Québec dans son ensemble. S'ils ont diminué, les écarts de développement restent présents et la Politique Nationale de la ruralité du Québec a voulu combattre ces disparités. Mais, le transfert de la responsabilité de la mise en œuvre de cette politique aux autorités politiques des MRC (Municipalités régionales de comtés) est inquiétante car avec des budgets coupés de moitié, elles ne pourront pas maintenir l'appui aux initiatives locales développement.

De plus, la restructuration majeure des instances de développement local et régional dans le contexte des politiques d'austérité soulève moult questionnements, inquiétudes et défis. L'expérience du Québec rural montre par ailleurs que son développement n'est pas seulement l'affaire des politiques publiques mais il dépend davantage sur les capacités des ruraux eux-mêmes, et constituant aussi une classe créative, à mettre en œuvre des innovations sociales pour faire face aux défis de leur propre développement.

Notes

1. Selon la définition utilisée dans la deuxième Politique nationale de la ruralité du Québec qui comprend dans son dénombrement la population des petites villes et des centres de services localisés en régions rurales, le Québec compterait 2 056 485 ruraux qui représentent 26% de la population totale du Québec comparativement à 19 % estimé par Statistique Canada (recensement de 2011).
2. Pour un portrait détaillé du Québec rural, voir Jean, B. en collaboration avec L. Desrosiers et S. Dionne (2014), Comprendre le Québec rural, 2e édition revue et augmentée, Université du Québec à Rimouski – Chaire de recherche du Canada en développement rural – GRIDEQ – CRDT. En ligne : <http://www.uqar.ca/files/developpement-rural/quebecrural2.pdf>.
3. Près de 142 000 personnes déclarent avoir une identité autochtone (Statistique Canada, recensement de 2011).

2.7

New Brunswick

Thomas M. Beckley

Introduction

New Brunswick has been and remains one of the most rural provinces in Canada. Despite years of rural outmigration, the urban to rural ratio of population has remained close to 1:1 for the past 30 years. Over the same period the rest of Canada has gone from a 3:1 urban to rural ratio to over 4:1 (from 75% to 80% urban). According to the 2011 census, rural New Brunswickers made up 48% of the province's population, compared to 52% in 1986. So while rural New Brunswick continues to shed jobs and population, and the media reports consistently about the stampede of rural people either to our own urban areas or to points west, there remains a substantial and stable rural population base. Rural New Brunswick has its challenges but the people who remain there do so for reasons that may have less to do with money and more to do with non-monetary aspects of quality of life.



This chapter will briefly discuss the New Brunswick rural economy, issues of governance and service delivery, and prospects for the future. Analysts, government departments, many academics and prognosticators continue to declare rural New Brunswick is on life support, and that all value, creativity, economic growth and cultural innovation is created in cities. However, rural New Brunswickers' tenacity and persistence and abundant resources suggest that the future for rural New Brunswick may not be as dire as many predict.

Economy

New Brunswick's rural economy, and indeed the provincial economy as a whole, is strongly tied to natural resources. Along the coasts, fisheries remain an important seasonal employer and aquaculture has picked up some of the slack in jobs shed from the wild catch fisheries. In the forested interior of the province, mining and forestry remain important employers, however, many mines have closed down. Potash is an important resource and employer in the south central region of the province and there is quite a bit of buzz (positive and negative) about a proposed tungsten mine an hour northwest of Fredericton. The forest industry continues to generate economic activity in rural and small town New Brunswick, but many large mills have been shuttered in recent years. Large mills in Dalhousie, Miramichi, Bathurst, and Juniper have closed operations. There has been a perennial battle between small woodlot owners (of which there are over 40,000) and the large forest companies regarding fair market values and access to markets for private wood. Recently the government negotiated long-term contracts extremely favorable to industry that provides a guaranteed supply of Crown wood for 25 years, however, jobs growth from this regime change in forest management will be negligible.

Agriculture exists in traditional pockets in different regions of the province, and in these places, agriculture remains an important employer but also purchaser of other rural based services (e.g., welding, trucking, etc.). Despite the persistence of these traditional rural employment sectors, agriculture only makes up 1.1% of employment province wide and an additional 2.3% is employed in forestry, mining, oil and gas, and quarrying according to Statistics Canada¹. The forest industry claims that it "maintains" 22,000 jobs, but this includes indirect and induced jobs. Even counting spin-off jobs, forest-related employment only accounts for 2.8% of provincial

jobs. This means that retail, manufacturing, private and public services, and other sectors such as construction and transport are the more important rural employment options¹.

Tourism is often touted as a complementary or even a potential alternative to resource sector jobs. New Brunswick's neighbouring provinces of PEI and Nova Scotia appear to have built a stronger tourism base. However, New Brunswick has climatic challenges. The tourist season is seasonal and relatively short in terms of attracting out of province visitors. Only a few pockets have seemed to thrive pursuing a tourism base for their economy. While more activity in this sector is desirable and there is considerable room for growth, it is not likely to provide long-term economic stability for rural regions, nor supply adequate replacement jobs for industrial resource sector jobs that are disappearing.

Governance and Service Delivery

The vast majority of the territory of New Brunswick (92%), and roughly 35% of the population base fall under provincial administration and essentially have no local, elected representation. Fifty-one percent of the province is Crown land, and this is administered by the Department of Natural Resource. As of 2006, there were 101 municipalities (cities, towns, and villages), three rural communities, and 267 local service districts (LSDs). Some LSDs have elected Advisory Committees, that work with the Department of Local Government to make recommendations on how locally collected tax dollars are spent. However, the taxes are collected and decision-making authority for the administration of government services resides with the provincial department². There is a relatively new administrative entity called the Rural Community, which allows smaller places to incorporate and take responsibility for administration of their own affairs. A population of 3,000 population and a \$200 million tax base is required to make an application. The notion of government bureaucrats, however, is to create much larger administrative units by agglomerating small, sparsely populated rural places into larger geographies to create these new entities. To date, only a few jurisdictions have taken advantage of this opportunity and a few others have undergone the democratic process but failed to receive the support of its citizens in plebiscites.

A recent development in governance and service delivery in New Brunswick has been the creation of Regional Service Districts (RSC), of which there are 12. These were brought in as of January 2013, in an effort to streamline and equalize services between rural and urban regions. They were seen as a more politically palatable alternative to forced amalgamations³. Services such as planning and waste disposal are currently the responsibility of the Regional Service Commissions. If these endeavors are successful and gain acceptance among the electorate, the RSCs may expand into other government service delivery areas such as recreation services, policing, and the like.

Challenges

The province of New Brunswick faces a number of challenges. The provincial debt is now over 12 billion dollars, which by Ontario or Québec standards may not sound like much, but for a province with a population only slightly larger than Mississauga, this represents a considerable burden⁴. Ultimately this means the level and quality of services, such as roads, health care, education, will decline further as more of the taxes collected go to servicing the debt. These services in rural areas are already often of poorer quality and more difficult to access due to distance, lack of specialists, older facilities and more.

Another challenge for rural New Brunswick relates to human capital deficits. New Brunswick has some of the lowest literacy rates in the country. Rural literacy is worse than the provincial average because many rural jobs (e.g., construction, manufacturing and resource industries) do not require high literacy. As well, literacy is worse amongst Francophones and a higher proportion of these residents live in rural areas. Poor performance in literacy and numeracy makes it difficult to transition to a more knowledge based economy, which many view as the future⁵.

With the budgetary problems facing New Brunswick, there are commensurate problems with maintaining or increasing the level of infrastructure. Roads and highways are increasingly in disrepair. Decisions need to be made on major energy infrastructure, such as the prematurely aging Mactaquac Dam that provides New Brunswick with 12% of its electrical power and whose refurbishment would cost an estimated 3-5 billion dollars. Public wharves, hospitals, schools, and other basic infrastructure is also aging and given the lower population densities in rural areas, politicians find it harder to justify upgrades in more

remote regions of the province.

It is interesting to note that many pundits view immigration to be central to Canada's growth and development. In Canada as a whole, rural areas have poor immigrant retention rates, if they are successful in attracting immigrants in the first place. New Brunswick, as a province, has a poor track record on attracting and retaining immigrants. New Brunswick is already extremely culturally diverse but mainly in the context of our internal Canadian cultural diversity; that is between English, French, and Aboriginal cultures. Relations between European settler societies with Aboriginal peoples continue to be a challenge. The challenges have to do with federal versus provincial mandates and responsibilities, and with access to natural resources. Much of the protest against additional or intensifying resource development has come disproportionately from Aboriginal communities. This was particularly true in the case of hydrolic fracturing for natural gas.

Prospects for rural New Brunswick

If one were to take media reports at face value, one would assume rural New Brunswick will be empty by 2050 and there would never be anything of interest or value there to attract people. The negative perceptions and coverage in the media is related to the time worn (and worn out) conceits that the economy needs to grow and the population growth is what will drive economic growth. There is a further assumption that population growth in Canada is now a function of attracting immigrants, something that the Atlantic region as a whole is very poor at doing, and that the rural areas of the Maritimes will simply have no chance in that game⁶. So the prognosticators and boosters of urban Canada as the center of all creativity, growth, and culture continue to spread the message that rural Canada, and rural New Brunswick is doomed, and worse, are a drain on the rest of the country.

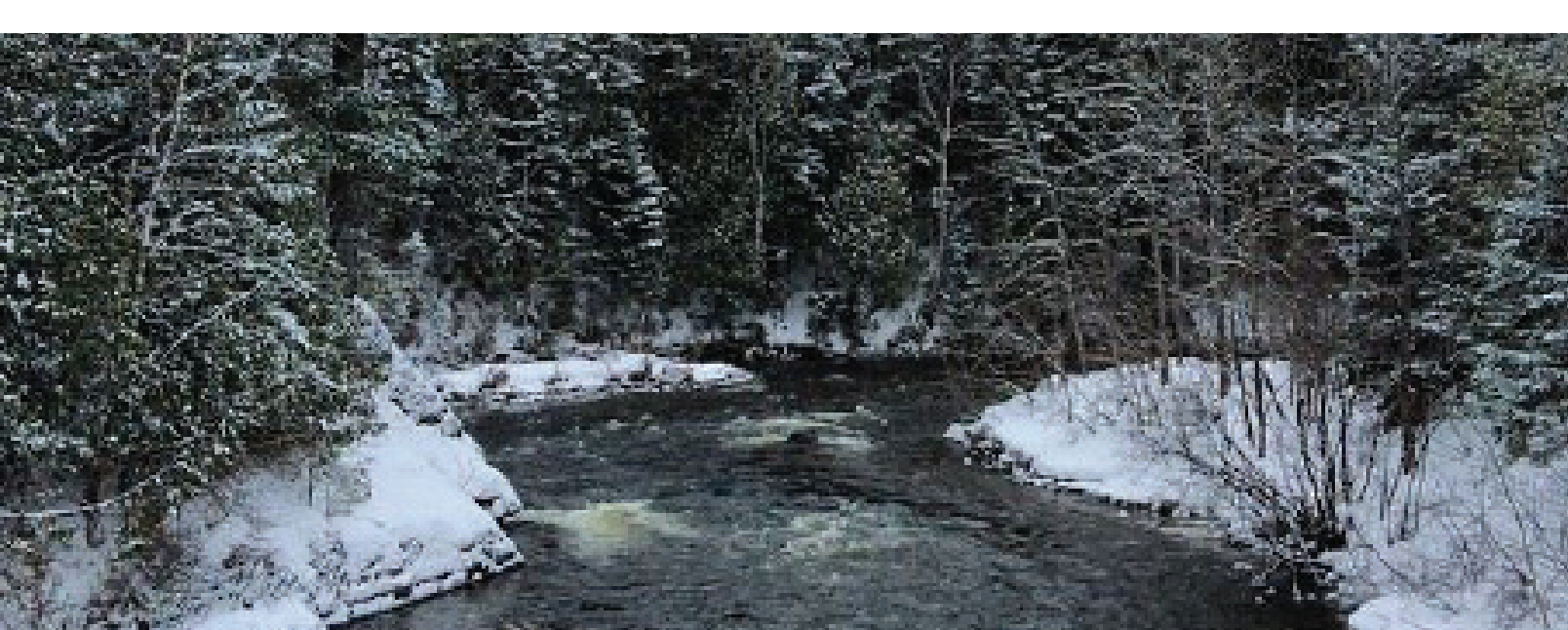
Fortunately, not all rural areas are in decline. In the Upper St. John Valley (from Woodstock/Hartland to Grand Falls) unemployment rates are low, there are many small and medium sized enterprise, including successful agriculture and food processing ventures. Small towns along that stretch of the river continue to persist and provide quality of life without having to necessarily a rapidly growing economy. The Sussex area is another rural success story in New

Brunswick. While potash mining is important to the Sussex area, its rural economy is diverse and thriving. Economic activities there include forestry, agriculture, recreation, and more. Situated between New Brunswick's three urban centers helps, and in the future urban adjacent rural areas are likely the best positioned to succeed. These places may provide a model for other rural regions in New Brunswick.

There are still rural resources available in vast quantity that could provide a basis for a strong, local rural economy and culture. Notable among these resources are an abundance of underutilized agricultural land, and ample wind, tidal, hydro and solar resources to fuel a distributed, low-carbon energy production system. With climate change models predicting warmer temperatures and more precipitation, rural New Brunswick could capitalize on these environmental changes going forward. In order to do so, however, there needs to be vision and the proper policy frameworks. Currently, both parties that traditionally hold power appear to be doubling down on the fossil fuel economy as they promote pipelines from Alberta or hydrologic fracking for natural gas as the only plausible alternatives for economic engines for the province. Both of these paths would provide only short-term gains, but the short-term is all that politicians generally concern themselves with. Rural residents are interested in the long game, and rural New Brunswickers have demonstrated a knack for ingenuity, creativity and persistence as they continue to find ways to live, work and sustain themselves as they have for generations. Lower material standards and measures of wealth do not necessarily mean lower overall well-being, a notion of which many rural New Brunswickers are keenly aware.

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2.8

Prince Edward Island

James E. Randall, Don Desserud, and Katharine MacDonald

What Constitutes Rural Prince Edward Island?

Whether it is based on some combination of statistical measures, the functions undertaken or even the perceptions or attitudes of the residents, 'rural' may be easy to define on paper. However, it can be much more difficult to really understand what this word means in the context of a very diverse set of Canadian provinces and territories*. Prince Edward Island (PEI) provides a useful example of this diversity. PEI is the Canada's smallest province, both in physical size and number of residents. Its population of 145,211 (2015) is smaller than some neighbourhoods in Canada's largest metropolises. Arguably, PEI is Canada's most rural province, with one of the highest percentages of people living in rural and small town areas. In fact, it is the only province that does not contain a metropolis. The two largest municipalities of Charlottetown and Summerside, with 2011 populations of 32,545 and 15,654 respectively and one-third of the provincial population, would be considered small towns by many outside of PEI. A further 28.2% of the provincial population lives within a 20 minute drive of these two municipalities†. Finally, in a recent survey most Islanders understood 'rural' to be everything outside the municipal boundaries of the four largest municipalities of Charlottetown, Summerside, Stratford, and Cornwall, where the latter two are really part of the urbanized Charlottetown region‡.

* A good discussion of the many dimensions of the definition of rural and rural policy is found in a chapter by Reimer & Bollman¹.

† Analysis undertaken for this report by the PEI Department of Municipal Affairs and Provincial Planning using 2011 data.

‡ This interpretation of 'rural' was derived from an online survey and public consultations that took place as part of the 2010 Rural Action Plan report, Prince Edward Island (2010)².



Rural Prince Edward Island: By the Numbers

So how does rural PEI differ from the rest of rural Canada? First, the economy of the province and especially of rural communities is very much built on a foundation of seasonal employment supplemented by Employment Insurance payments. Farming, fishing and tourism still dominate the economic and social fabric of rural PEI. The agricultural sector employs 5.0% of the labour force compared to only 1.7% for this sector in all of Canada (2014). Even more telling, the fishing, hunting and trapping sectors on PEI employed 2.4% of the labour force compared to only 0.15% for Canada as a whole³. As is the case with the Atlantic region overall, unemployment rates in PEI have consistently been higher than the Canadian average. For example, in 2014 PEI had the second highest provincial unemployment rate at 10.6% compared to a national rate of 6.9%³. The province is second only to Newfoundland and Labrador in the number of Employment Insurance recipients/100 residents in non-metropolitan areas (2013). Although precise statistics are difficult to come by, anecdotal evidence suggests that a large number of labour-force-aged men in PEI's rural communities spend a part of each year working out-of-province or, as it is known on the Island, 'out West'. Although this generates disposable income for specific rural families in the form of remittances, these forms of 'fly-in/fly-out' labour practices can have devastating impacts on the families and the social economies of many rural communities^{4,5,6}. So, by many measures, the economy of Prince Edward Island's rural communities is suffering.

Basic Governance Features of PEI

According to the 2011 census, just over half (53%) of Islanders live in what is classified as rural PEI while 30% live in unincorporated areas. In addition to PEI's two cities of Summerside and Charlottetown, there are seven other communities that are classified as towns⁵. An additional 23 communities in Prince Edward Island have official plans, although Statistics Canada still considers these communities to be rural. Still, only 30% of PEI's land area is incorporated and only 10% is covered by a land use plan⁸.

The common structure of local government in rural PEI is that of an elected council, headed by a chair. In some, meetings are held on a regular basis (e.g., bi-weekly). In others, meetings are held on an ad hoc basis. Although incorporated communities have the authority to provide services such as fire, water and sewage, few have the capacity to do so. A report completed in 2007 explained that

The seven towns provide fire protection and sewer services and (with one exception) water to their residents. All cities and towns have official plans. Among the 19 communities originally incorporated as villages, 17 provide fire protection, 13 provide sewer services and four provide a municipal water system. Only eight have official plans.⁹

While cities such as Charlottetown and Summerside are responsible for almost all of the services provided to their citizens, few of the incorporated villages and small communities have the capacity to offer much more than the basics.

Recent task forces and land-use reports have called on the provincial government to rationalize its land use policy, either through incorporation or direct administration (that is, through the office of a provincial ministry)¹. Under the newly-elected MacLauchlan Liberal government, the department responsible for local government (municipalities) was combined with the portfolios of forests, fish and wildlife, and environment to form a Department of Communities, Land and Environment. The expectation is that the government will then work towards incorporation in more parts of rural PEI, with a goal of providing an infrastructure for the better enforcement of environment protection laws and strengthening local governance^{**}. It should be noted that the agency responsible for rural development is not a part of this unit. Calls for the full incorporation of rural PEI have been made before, but a succession of provincial governments, both Progressive Conservative and Liberal, has been reluctant to carry through on these calls to action.

Methods

In addition to consulting government and scholarly reports, the conclusions of this report are based on

¹ In addition to The Thompson Report referenced below, there is also the Report of the Task Force on Land Use Policy or 'The Handrahan Report', Prince Edward Island¹⁰.

^{**} See "New Foundations: Report of the Commission on Land and Local Governance", otherwise known as 'The Thompson Report', Prince Edward Island⁸.

⁵ For an examination and analysis of PEI's municipal government structure, see Bulger & Sentence⁷.

interviews with ten stakeholders. These individuals were drawn from the ranks of civil servants, academics, historians, entrepreneurs, journalists, and leaders of non-profit organizations. All had an expertise and a comprehensive knowledge base in the rural development of PEI and many had a personal or family link to rural communities. They were asked the following three open-ended questions: 1) How would you describe/characterize the state of rural PEI at the moment, especially in relation to other Canadian rural regions?, 2) What do you believe are the most significant changes taking place in rural PEI and why are these taking place?, and 3) How would you describe rural policy in PEI? In what ways does it, in general or in terms of specific policies, enhance or inhibit rural development?

Though the perspectives and backgrounds of the interviewees varied widely, five key themes emerged.

Theme 1: Amalgamation, Municipalities and Community Identity

Many of those interviewed felt that PEI would benefit if smaller communities amalgamated and, in so doing, were able to consolidate and operate their resources, services, and planning more efficiently. Arguments of this kind of merger have been made before in other jurisdictions in Canada¹¹. For many residents, amalgamation was feared for the potential loss of local identity. In fact, rather than aspiring to create broader, more cohesive rural regions, some interviewees felt that rural communities tended to act competitively with one another. Further, amalgamation is regarded by rural residents as a “tax-grab”; that is, relatively larger communities would “swallow up” smaller communities in order to provide new tax revenues to fund services that would be of limited value to the outlying communities¹². Nevertheless, the interviewees provided examples of the difficulties local businesses have in expanding their operations under the current structure, and various municipalities have complained that, being unable to offer a full range of services, they have had a hard enough time retaining current residents and businesses, much less attracting new ones.

Rural attitudes towards amalgamation are reflected in local policy and political decision-making. For example, for fear of offending voters by locating a public service in a rural community that might serve effectively as a regional service centre, provincial

officials have invested in development and services in non-amalgamated areas. Several interviewees felt that this tendency to develop outside rural communities, along with increased centralization and urbanization of services, has inhibited their efficiency and effectiveness in rural PEI.

Theme 2: Hospitals, Schools and the Provision of Local Services

The interviewees noted that hospitals and schools have served as the heart and soul of communities and the loss of these ‘essential’ social services in the name of economies of scale and regional rationalization was especially damaging to the vitality and future viability of rural communities¹³. Closures are touted as austerity measures, but some interviewees felt that the decisions did not fully account for the local indirect, collateral costs. More than just a loss of jobs or of a local service, closing a school can mean losing a facility, a meeting place, local spending, and local influence on education policy. Similarly, the ongoing centralization and consolidation of health services has some rural residents anxious about timely access in emergencies, especially given recent harsh winter conditions. However, the current model of providing relatively high-order health services in locations that are relatively close to Charlottetown or Summerside is not sustainable. Communities seem reluctant to adopt downsized health service models, such as wellness or emergency centres, and there is a persistent antipathy towards travelling relatively short distances to regional centres.

Theme 3: Changing Demographics, Mobility and an Urban/Rural Divide

Although statistically PEI is still slightly more rural, the Island’s demographics have changed considerably over the years and these changes have occurred more recently than elsewhere in rural Canada¹⁴. Among interviewees there was a consensus that the changing demographic profile of rural Prince Edward Island is cause for concern, with an aging population, a constant outflow of young workers, and a slow but persistent loss of residents to the province’s urban areas. While some communities are experiencing growth, many interviewees noted that rural development across the province is uneven and scattered, with only pockets of prosperity. As a small,

¹¹ This trend of rural school and health service consolidation is discussed more broadly in Halseth & Ryser¹⁴, Hanlon & Halseth¹⁵, and Liu et al.¹⁶.

¹² For a discussion of the major demographic changes that have taken place in rural Canada, see Bryant & Joseph¹⁷ and Rothwell et al.¹⁸.

¹³ For a review of citizen attitudes towards amalgamation, see Kushner and Siegel¹² and Poel¹³.



densely populated province, the rural population can experience greater mobility and better access to some services, such as high-speed internet, relative to more remote rural regions in Canada. However, as rural depopulation continues, the economic and family connections between urban dwellers and rural communities start to fade. Urban dwellers may increasingly view rural life more simplistically. They may be more likely to romanticize or criticize rural life and less likely to understand and appreciate the realities and challenges of rural living.

Theme 4: The Rural Island Economy and Competing Models of Sustainability

The economy of rural Prince Edward Island has traditionally been founded on seasonal industries: farming, fishing, and tourism. Among interviewees, there were mixed views on the state of these rural industries. In general, it was observed that farms were becoming larger and fewer, a departure from the patchwork of small, mixed farming that earned PEI the nicknames “the Garden Isle” and the “Million Acre Farm”^{¶¶}. The importance of the agri-business model, especially connected to the potato sector, has created a vociferous discussion on issues such as the use of agricultural chemicals and accessing greater amounts of water by drilling deep-water wells. Similarly, while fishing output and revenue

have increased, there are fewer fishing operations and almost all of these are concentrated in a few shellfish sectors. A number of interviewees felt that the seasonality of Island industries is more strongly felt in rural PEI, perhaps more so than in other rural parts of Canada. Recent changes to the Employment Insurance (EI) program are a contentious issue in the province, with some interviewees expressing concern that the changes have further encouraged outmigration and worsened conditions of poverty. Other interviewees felt that there has been an unsustainable dependence on EI, and that it discourages rural communities from being more self-reliant or pursuing new opportunities for development. This latter point is important because PEI is also highly dependent on public sector revenue, employment and transfer payments. As an example, in 2014 an average of 26.0% of the provincial labour force was employed in public administration and health care sectors compared to 18.1% for Canada as a whole²⁰.

While there are challenges for traditional rural industries, many interviewees expressed optimism that there is a small but growing countercurrent of younger farmers and organizations repatriating rural areas. This cohort – perhaps a new Back-to-the-Land or homesteader movement – is said to be embracing organic and mixed farming on smaller properties^{***}. A number of interviewees saw this as part of a broader “counter-urbanization” pattern of

¶¶ General trends in the transformation of Canada’s rural economy and factors related to rural economic success are described by Reimer¹⁹.

*** A few key references on this movement include Halfacree²¹, Hines²², and Jacob²³.

return migration of young people to rural areas – a trend these interviewees felt was important to rural revitalization^{†††}.

Theme 5: Politics and Rural Policy

The interviewees recognized the importance of having a province-wide land-use plan, which they believed was crucial to rural development. The current attempt to bring environment and municipal governance under one ministry was regarded as interesting, but reminiscent of the previous Liberal government's failed attempt to do something similar. Successive governments have lacked the will and determination to follow through on their plans to rationalize rural development.

Several interviewees suggested that some rural communities could ideally act as nodes or growth centres and offer a few key services to surrounding areas^{†††}. However, most interviewees felt that there has been a general lack of vision or creative thinking from all levels of government regarding rural development, with no coherent or cohesive approach.

In spite of the many challenges, rural PEI has had its share of success stories: a number of those interviewed pointed to the recently-established Rural Action Centres, which house the Community Business Development Corporations and offer a mix of municipal, provincial, and federal services to rural businesses and entrepreneurs at one location. Several interviewees also praised the dedication and strength of local community grassroots and non-profit organizations, viewing them as being vital to rural areas. According to a local report²⁶, PEI has nearly a thousand nonprofits – more than one for every 150 residents – and interviewees felt that an increased effort by governments to support these organizations would benefit rural communities significantly. Overall, interviewees called for creativity, commitment, and cooperation in rural Prince Edward Island.

Conclusions

All too often we hear the metaphor of being 'at a crossroads' to describe the current and future direction of rural development and policy. In Prince Edward Island, we may be justified in using this phrase. Rural depopulation, fragmentation of rural governance, restructuring of public services, dependence on a few seasonal economic sectors competing in a global marketplace on the basis of cost, all point to troubling times for rural PEI. Despite good intentions and some policy reforms to address rural challenges, like the creation of the Rural Action Centres, most recommendations for change have languished. Given the economic and cultural value of rural Prince Edward Island to the province as a whole, these challenges are jeopardizing the future well-being of the province and the perception of PEI abroad as a 'Garden Isle'.

††† For example, the Great Enlightenment Buddhist Institute Society has established an educational academy at Murray River, PEI and an Amish colony from Ontario has been actively looking to relocate to the Island.

††† This discussion is an interesting revival of growth center/pole theory and advocacy that emerged in the 1970s. For a summary of this work, see Parr24, and Parr25.



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2.9

Nova Scotia

Ryan Gibson, Joanne Fitzgibbons, and Nina R Nunez

Introduction

The province of Nova Scotia, and its rural communities, stand at the precipice. Change is imminent. In fact, the recent provincial Commission on Building Our New Economy, the Ivany Report¹, decreed that change must happen. The only questions are what types of changes and when to implement them. The Ivany Report states the changes needs to take place immediately. Rural communities are confronted with a series of economic and demographic challenges, yet there is a renewed energy at the local and regional levels to move rural communities and rural regions forward.

This chapter outlines the key demographic trends taking place in rural Nova Scotia, the local government systems, the rural economy, and rural infrastructure and services. The chapter concludes with three recommendations for strengthening rural Nova Scotia.

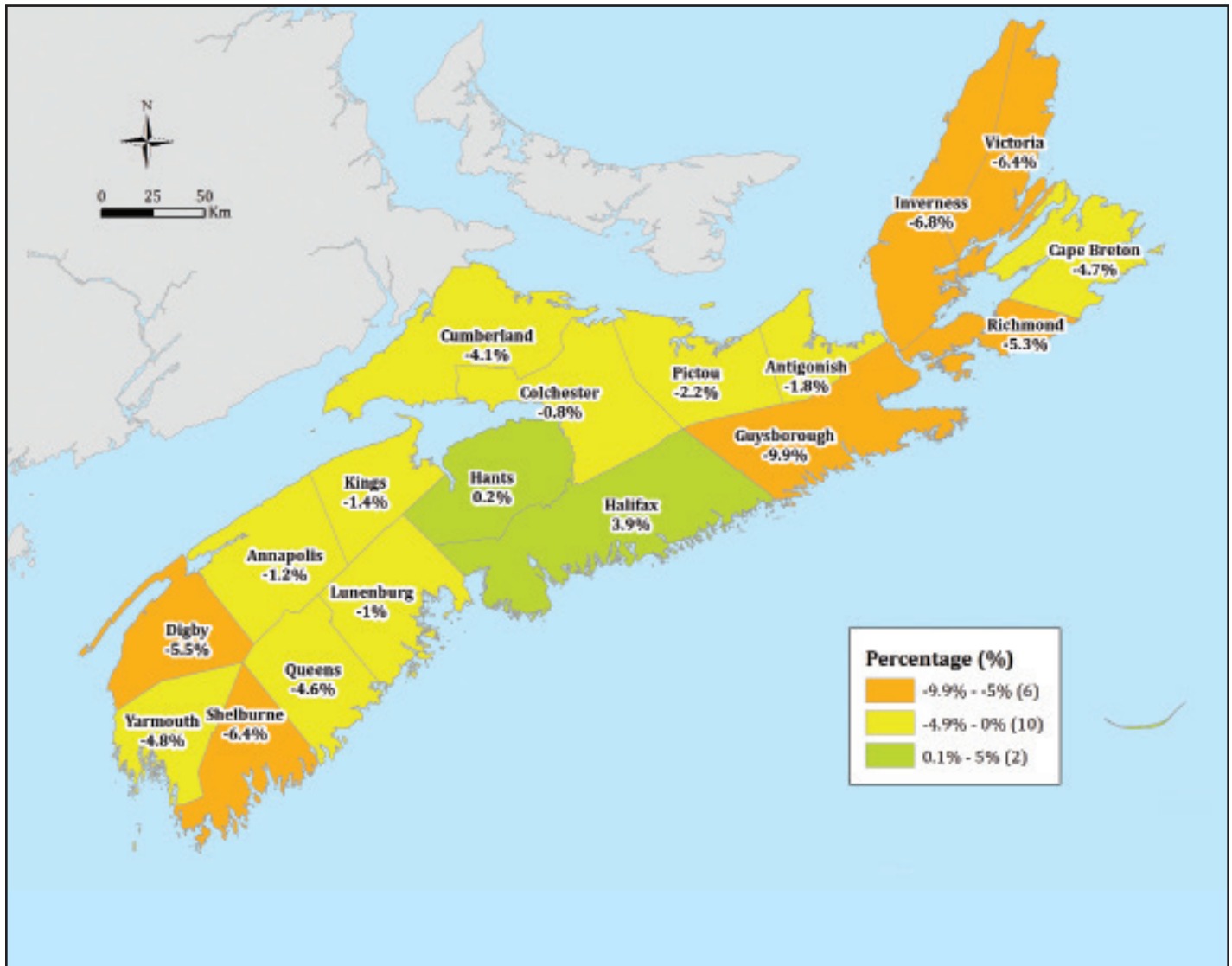


Demographics and Human Capital Development

Nova Scotia is among Canada's most rural provinces. In the 2011 National Household Survey 43% of the province's population resided in census rural, communities with a population of less than 1,000 and outside areas with 400 people per square kilometre². Rural communities can be found throughout the province, both along the coast and inland. Although Nova Scotia has a high proportion of residents in rural communities, recent demographic shifts are changing rural populations.

Rural Nova Scotia is experiencing three key demographic shifts. Similar to other Canadian provinces, Nova Scotia is witnessing a shift of population from rural communities to urban communities. From 2010-2014, the only two counties in Nova Scotia experienced a growth in total population: Halifax and Hants³ (see Figure 1). The further the distance away from the provincial capital and central region of the province, the greater the population loss. The demographic shift phenomenon taking place in rural Nova Scotia is not new, having been documented since the early 1990s⁴.

Figure 1: Population Change (All Ages) by Census Division, 2010-2014



In addition to the rural to urban migration trend, the province is witnessing an increase in the proportion of the population exceeding 65 years of age. The out-migration of youth and younger workers contributes substantially to this trend. Currently, Nova Scotia has the second oldest population in Canada¹. The aging population has implications for succession planning, opportunities for youth, volunteerism, and community dynamics in general. Issues of youth out-migration have been key challenges in many rural communities throughout the province⁵.

Compounding both the rural-urban and the aging trends is the fact that the province is witnessing an absolute decline in the total population. The Ivany Report¹ suggests the province's total population could decline by 5% by 2038. This proposed decline would undoubtedly impact rural communities greater than urban communities. The Ivany Report states, "Nova Scotia is on the verge of a significant and prolonged decline in our standard of living, in the quality of our public services and amenities, and in our population base, most seriously in the rural regions of the province."

Governance

Four types of organizations represent local government in Nova Scotia: 2 regional municipalities (Halifax Regional Municipality and Cape Breton Regional Municipality), 31 towns, 21 rural municipalities, and 22 villages. The latter three types of local government are predominantly rural. The past decade has seen witness to a series of discussions regarding the roles and responsibilities of local government. Local governments struggle to respond to ever increasing demands of residents for services such as water quality, transportation, recreation, and policing. Local governments are also the recipients of downloading from the provincial and federal governments.

In the early 2010s, the Towns Task Force was created to make recommendations to address the challenges encountered by towns. The Towns Task Force made a series of recommendations, including that local government needs to have long-term sustainability, supports for regional service delivery, enhanced collaboration among local governments, and enhanced economic development strategies⁶.

In 2011, the Province of Nova Scotia generated the first Financial Conditions Index of local governments (<http://novascotia.ca/dma/finance/indicator/fci.asp>). The Financial Conditions Index compiles existing financial information for each local government

on local government revenues, budgets, debt and capital. The Index examines the financial standing of each municipality and ranks each indicator on a three-point scale to indicate if the municipality meets the suggested level and the average of all municipalities. Many rural municipalities, towns, and villages have multiple indicators that do not meet the suggested level, indicating potential financial challenges.

The Financial Conditions Index and the Towns Task Force both serve to examine rural realities and propose a new course forward for local government in Nova Scotia.

Economy

The health of the Nova Scotia economy has been the center of much discussion over the past decade. The provincial economy, as described recently in the Ivany Report¹, is at a tipping point. Others have described the economy as stagnant, dying, and on the verge of decline^{7,8}. The previously discussed demographic dynamics play heavily on the economy of the province.

The economy of rural communities continues to be focused on natural resources, such as agriculture and agri-food, fisheries/aquaculture, mining, and forestry. A select number of rural communities benefit greatly from manufacturing operations, such as the three Michelin tire production plants in Bridgewater, Pictou, and Waterville. The rural economy is one of two stories: rural coastal economies are generally in decline, while rural inland economies are stable or witnessing low growth¹. Although rural communities have seen the economic output of natural resource-based industries, there tend to be fewer people directly employed. This is largely a response to increased computerization and mechanization.

Recent reflections on the economy of Nova Scotia have all noted a need to diversify the economy. For rural Nova Scotia, the diversification of the economy has been an evolving task. After nearly 20 years of operation, the regional development authorities (RDAs) were discontinued in 2012⁹. Twelve RDAs provided coordination and leadership of local and regional economic development activities in all regions of Nova Scotia. In 2012, the Atlantic Canada Opportunities Agency announced it would cease financial support of RDAs as federal services were predominantly available online and no longer required a regional champion. The discontinuance of the Atlantic Canada Opportunities Agency funding

led to their demise.

In the wake of the elimination of the RDAs, the province of Nova Scotia created a Regional Enterprise Network (RENs) program in 2013. All communities in the province were invited to form a REN, with five formed to date. The RENs are to serve as a facilitator for business development, regional cooperation, and connection to provincial government departments. It is too early to evaluate the effectiveness of RENs to stimulating and diversifying the rural economy.

Nova Scotia is home to a vibrant social sector and a dedicated labour pool of both volunteers and employees alike. The provincial volunteer rate is higher than the national average by 7.7%, and collectively, in 2013, the province contributed a higher annual average amount of volunteer hours than any province in Canada¹⁰. Morale within the social sector is also positive, as 96% of non-profit workers in Nova Scotia are strongly committed to the mandate of the organization that they work for. This is 10% higher than the national average, though it does not exempt the provincial social sector from the same economic trends that spur on outmigration from the province in other sectors.

The cooperative sector is especially active in rural Nova Scotia. The quantity of cooperatives in urban areas is slightly higher, at 154, versus 136 in rural areas. Despite being fewer in numbers, rural co-ops generate 1.8 times the revenue, have three times as many members and twice as many employees, compared to urban cooperatives. In part, this may be due to the prevalence of agricultural and dairy cooperatives, such as Scotsburn or Farmers¹¹. Like other parts of the Nova Scotian economy, the cooperative sector is in economic decline. An annual report describing 2012 trends, by the Cooperatives Branch of Service Nova Scotia¹², found that there were 367 fewer jobs in co-operatives and 1,587 fewer memberships than the previous year. In tandem with this trend, the annual income of co-operatives in the province has decreased.

Social enterprise organizations, as organizations that operate using a business model in order to catalyze positive social or environmental change, are also an important part of the social economy in Nova Scotia, despite not having a well-defined or understood legal status in Canada. In 2013, there were 5,630 people employed with social enterprise organizations. The Nova Scotia Social Enterprise Sector Survey notes that this is a conservative estimate, as it only accounts for the 20% of all social enterprises that participated in the survey. The vast majority of social enterprises focus on a





small geographic scale, such as the neighbourhood or community in which they were founded¹³.

Infrastructure and Services

Rural Nova Scotia, similar to rural jurisdictions throughout Canada, is encountering substantial infrastructural deficits and concerns regarding service provision. It is not uncommon to hear stories in local newspapers regarding the quality infrastructure: roads, water and sewer pipes, and water testing facilities to name a few. Rural communities struggle with how to operate and maintain this infrastructure in light of out-migration and aging trends. Recent recommendations have focused on achieving cost effectiveness through service sharing agreements.

The provision of services in rural communities is also impacted by the three population trends addressed earlier: out-migration, aging, and absolute decline. Reports of school closures, health service closures, and decreases in public transit are becoming more common. In light of service provision challenges rural Nova Scotia has a robust and increasing social economy, largely responding to the abdication of service

provisions. Nova Scotia has a vibrant community of volunteers. In fact, Nova Scotia residents averaged the highest annual hours of volunteering in Canada at 181¹⁴. In June 2015, rural leaders from across the province gathered to draft the 'Nova Scotian Rural Declaration'. The statement encourages both rural and urban Nova Scotians to tackle economic and demographic trends to achieve rural renewal.

Aboriginal

Almost 34,000 residents declared Aboriginal identity on the 2011 National Household Survey, as First Nation, Métis, or Inuit¹⁵. The Aboriginal population constitutes 2.7% of the province's population. The province is home to 13 Mi'kmaw communities dispersed throughout the province.

The Aboriginal population is considerably younger than Nova Scotia in general. The median age of Aboriginal Nova Scotians is 25.4 years compared to 41.6 years for the rest of the province¹⁶. The Aboriginal population encounters higher unemployment rates and lower educational attainment levels.

Recommendations

Based on the key demographic trends taking place in rural Nova Scotia, the local government systems, the rural economy, and rural infrastructure and services three recommendations are provided to strengthen rural Nova Scotia.

Job Creation Strategies: Employment opportunities are a key driver for rural revitalization and sustainability. A key driver of youth out-migration and adult out-migration is the lack of employment opportunities. Rural Nova Scotia needs to examine how to encourage new job creation opportunities that builds on the traditional industries and responds to the global economy.

Mechanisms to Encourage and Support Local/Regional Collaboration: Rural Nova Scotia communities and the provincial government need to create and support existing mechanisms to encourage regional collaboration. As population dynamics continue to change, rural communities need to find avenues to explore collaboration, both formal and informal.

Place-Based Approaches: Although rural communities in Nova Scotia hold similar patterns, there is a great diversity of opportunities and challenges. Given such diversity, policy and programming needs to be crafted in a manner that recognizes local and regional differences. Province-wide strategies are bound to be ineffective in some regions.

The precipice confronting rural Nova Scotia is clear. To avoid the precipice, attention needs to be paid to economic and demographic trends. How and when actions are taking to avoid the precipice is less clear. That being said, there is a tremendous momentum from rural community residents and leaders to chart a different future, one that leads to rural renewal.

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2.10

Newfoundland and Labrador

Alvin Simms and Robert Greenwood

Introduction

Of the Atlantic Provinces, Newfoundland and Labrador (NL) has the highest proportion of population (60%) living in rural areas as defined by the OCED¹ definition of urban versus rural, where urban must contain at least one small city with a population of 50,000 or more. As of April 2015, the NL Statistics Agency reports that the population of NL is 525,756². Rural NL is characterized by its vast geography, dispersed low-density population, and with a location in relation to major markets that creates challenges not only for business but also the delivery of public services. Those challenges can be summarized as:



[1] Higher transportation costs associated with the import and export of goods and services,

[2] A small provincial market requires a focus on exports to grow,

[3] A shifting population from rural to urban and from small coastal communities to larger regional centres has resulted in labour supply and sustainability issues in small rural communities,

[4] The trend of ageing and declining populations in the majority of rural communities seriously compromises their viability and sustainability.

Since the closure of the cod fishery in 1992 many small coastal communities in rural NL did not recover economically³ or from the resulting population decline. However, larger communities concentrated along and proximate to the Trans-Canada Highway grew during this period⁴. The Trans-Canada Highway runs inland through the centre of the province and away from the coastline. According to the 2011 Census, 82% of the province's population lived within 60 km of this transportation corridor, suggesting a shift from coastal small, rural communities to urban or larger rural centres and their adjacent communities.

Many rural areas were excluded from an expanded shellfish industry after the cod moratorium, due in-part to the more concentrated access to licenses. These places now face an uncertain future because of ageing populations and out-migration. Even those communities that attempted to diversify with tourism and small niche industries found these provided limited opportunities and employment for young workers. The out-migration to larger centres and the rest of Canada was not avoided. The overall trend in rural NL is for industries and services to be concentrated in fewer communities. Potentially this will create a more concentrated population with small local clusters that on the whole will be further from the larger rural service centres. Excluding the growing larger rural regional centres along the Trans-Canada Highway and in a few instances elsewhere, those rural areas involved in aquaculture, the shellfish industry, mining, forestry, as well as tourism, have the potential to be sustainable in the future, assuming they can address the ageing population issue.

Within this context this chapter will review the challenges related to demography and human capacity, governance, and the rural economy. Rural NL is facing continued challenges due to its natural resource dependence, which combined with unprecedented demographic challenges, makes a regional approach to development and governance

more urgent than ever. Whether citizens, communities and governments are ready to embrace this change remains to be seen.

Labrador, with 9% of the province population, is resource rich and its export based economy of hydro-electric power generation, mining (e.g., iron ore and nickel). Thus, its overall socio-economic well-being and growth is susceptible to the volatility of global commodity prices and market demands. The smaller coastal fishing communities in Labrador are struggling with ageing and declining populations, as well as attracting young workers to the fishing industry. Aboriginal communities, as elsewhere in Canada, have younger populations with higher birthrates. Self-governance, particularly by the Inuit Nunatsiavut Government, are showing progress in tackling social and economic challenges, but again, much of this progress is rooted in resource-dependent activity.

On the Island part of the province, larger rural service centres are concentrated for the most part along the Trans-Canada Highway with the small fishing communities located along the coastline. Overall, larger rural regional centres along the Trans-Canada (e.g., Corner Brook, Grand Fall- Windsor, Gander, Clarenville, etc.) are growing and are targets for economic diversification as well as centres for public services, while a majority of the smaller coastal fishing communities are trying to maintain their place in the new economy while losing some of their services⁴. Some smaller regional centres like Stephenville, Marystown and Bay Roberts provide similar service functions to their respective rural regions.

Like Labrador, the Island portion of the province the economy is dominated by resource extraction and processing related to mining, oil extraction, fishing, and forestry. Tourism and niche industries are present in rural NL, in many instances developed by young entrepreneurs, and are helping to diversify the economies in smaller rural areas. However, these lack the scale to stop the out-migration of the majority of youth from these rural regions. Location and commodity dictate the fortunes of many rural areas in NL. For example, the drop in iron ore market prices is creating layoff issues for western Labrador while the new the hydro-met nickel plant in Long Harbour on the Island will create new opportunities for that region. Furthermore, the downturn in the oil industry in Alberta will impact rural NL where a majority of the 10,000 long distance commuters reside in rural communities.

For large rural communities (i.e., population > 10,000) population growth varied: Corner Brook declined by -1.0% from 2006-2011, while Clarenville in the east grew by 14%. However, small rural (i.e., population <10,000) regions had consistent decline from 21% for urban non-adjacent to 8% for adjacent during the same period. This rapid decline in small rural region populations will eventually impact growth for both urban and large rural areas because over the last 20 years the population growth in those areas were the result of in-migration from the smaller rural regions. This supply of youth will eventually run out, likely sooner rather than later. The challenge is how to address the issues of growth and chronic decline in rural NL.

Demography and Capacity

For about 20 years the age structure of the population in rural NL at best exhibited low growth model characteristics with decreasing birth rates and increasing longevity. Generally, populations where low growth is expected have issues with aging populations and maintaining existing labour forces. But in many rural communities the age structure of the current population has declined past this low growth threshold where the age cohorts are negatively skewed towards the older cohort. The residual effect of chronic population decline and low birth rates is ageing populations where youth leave and are not replaced by births or in-migration. Population decline and ageing is the biggest obstacle to growth and development in rural NL.

On June 15, 2015 the provincial government release a report titled "A Population Growth Strategy for Newfoundland and Labrador, 2015 – 2025" to address the issue of ageing, workforce shortages. According to the premier "this province is now at a point where the number of people leaving the workforce each year is exceeding the number of people entering". This will be more of a challenge for small rural areas that have problems, historically, retaining their youth and attracting migrants because of limited opportunities, as well as the seasonality of employment in tourism and the fishery. Adding to the complexity of the problem is there are approximately 20,000 long distance commute workers from NL working outside of the province and an estimated 10,000 working in Alberta before the recent downturn in the oil prices⁵. Large numbers of the long distance commuters are displaced workers who could not find employment in rural NL.

The response to the rapidly ageing population in rural NL is that larger rural centres use their existing public service infrastructure and other amenities to promote themselves as retirement and age friendly communities. Given the lack of infrastructure and services in many small rural areas these regional centres become a destination for retirees and in many cases is the reason for their growth. Because of past government spending constraints the destination towns have not consistently renewed their infrastructure, but the presence of existing public services and amenities in these centres far exceeds the services in the small rural regions and that in itself becomes an attractor for rural retirees.

The capacity issues in the current labour market are more about finding workers for mega projects such as hydro-electric power projects and offshore oil development, as well as ongoing and new mining activities. The traditional industries such as fishing, fish processing and forestry had 46%, 63% and 51%, respectively, of their workforce 45 years or older while the oil services industries had 82% of their workers aged less than 45⁶. Capacity issues are critical for the traditional industries with its lower pay and seasonality issues.

Governance

Rural NL does not have any formal regional governments. Volunteer municipal councils with very few paid staff often run many of the smaller municipalities. Smaller rural communities provide only basic services while many larger regional centres provide services comparable to a small city of 50,000. Under this model of independent municipal government their administration is limited to their local boundaries. Freshwater and Tomlin⁸ suggest this model of governance creates an environment of self-interest that can lead to negative consequences for neighbouring communities because there is no incentive, with past government policies, for collaboration. Self-governance, particularly by the Inuit Nunatsiavut Government, is showing progress in tackling social and economic challenges, but again, much of this progress is rooted in resource-dependent activity.

Added to these issues is the problem of municipal governance with formally organized incorporated municipalities (276) and unincorporated local service districts (177). Local service districts (LSDs) are outside existing municipal boundaries and the provincial municipal policies allow these areas



to grow to sizes that may exceed the population of neighbouring incorporated towns. With rural municipalities already struggling financially these LSDs do not levy property taxes. For example, in the LSD a resident will pay a few hundred dollars for services while a resident of a neighbouring municipality may pay several thousand dollars for their services. In many cases LSD residents do not want to be a part of a municipality where they would have to pay more for the services they receive⁹.

From a governance perspective this creates a disparate environment where collaboration for economic development and growth as well as sharing services becomes one of fragmentation rather than a unified approach⁸. The 276 organized municipalities are represented by their own independent umbrella organization, Municipalities Newfoundland and Labrador (MNL). This organization represents the interests of municipalities and fosters an environment of regional collaboration for inter-municipal cooperation, community partnerships, regional cooperation or partnerships, service sharing and regional service delivery arrangements.

In 1995, a policy initiative led by the provincial government resulted in the identification of 19 economic zones (later growing to 20) managed by

Regional Economic Development Boards (REDBs) to provide some institutional structure for regional economic development within the zones. What was unique about this approach is that members were locally selected by constituent stakeholders: municipalities, business, organized labour, education and training institutions, and community development organizations amongst others. However, in 2004 the government created another development entity named the Rural Secretariat and its mandate was to focus on partnership development between the Provincial Government and communities in rural regions. Operationally this was more of an advisory approach where the government appointed members who brought regional concerns to the province for review¹⁰.

Because of funding cuts the REDBs were closed in 2013 and another attempt at fostering the concept of regions for economic development had concluded. The NL government has shifted from its policy of subsidies for economic development to one of promoting agglomerations, economies of scale and competitiveness¹⁰. If rural NL is to be competitive and sustainable within this framework regional governance has to be a ground up and not the top-down approach. As an independent entity

MNL has an important role to play in this process and its recent policies and strategies on collaboration are a step in the right direction.

Economy

Rural NL is a resource extraction export based economy with very little secondary processing. Only three large secondary manufacturing plants are located in the province: the paper mill in Corner Brook, the oil refinery in Come-by-Chance, and the nickel hydro-met plant in Long Harbour. Traditional rural industries such as agriculture, forestry, logging, fishing and fish processing are the top employers in rural NL but provincially account for only 2.4% of the GDP and 3.3% of the workforce. Copper, gold, nickel and iron ore mines are located in rural NL and represent 5.8% of the total GDP and employ 1.9% of the workforce, while the urban centric oil extraction and support activities contribute 28.4% to provincial GDP and employ 3.8% of the workforce². Since the 1992 cod moratorium the construction industry has emerged as a major employer in rural NL. In many instances this is a very young and mobile workforce that for the most part works outside of the communities they reside in. Construction accounts for 10.7% of the provincial GDP and 9.5% of the employment in NL. The high growth in construction is related to projects in oil and hydro-electric power development as well as spillover effects from the oil and mining industry. Mining and oil extraction industries tend to attract the younger skilled workers from the smaller rural regions where opportunities are limited. To a degree the traditional industries, especially the fishery, has been given a lower profile provincially in terms of development and policy.

The ability of industries in rural NL to be competitive while achieving economies of scale is a challenge. The industries can be competitive but attaining economies of scale may be problematic. Scarlett¹¹ suggested that except for St. John's economies of scale cannot be realized in sparsely populated rural regions. Freshwater et al.¹² support this idea but suggests economic growth results from increased productivity. If agglomerations and economies of scale are not possible in rural NL then policy for economic development and productivity improvements should be at the firm level. This microeconomic approach may be more feasible in small economies associated with small rural areas.

Recent decline in global iron ore and oil commodity

prices has had a dual effect on the rural NL economy. Firstly one mine has closed in Labrador West while 150 workers were laid off from the mine still in production. Declining oil prices have also resulted in layoffs for the Alberta long-distance commuters who live in rural NL. This impact is noted by the fact the 11 charter flights per week to Alberta were recently cancelled at the Deer Lake Airport in western NL. The impact of the Alberta worker layoffs will impact the economy of many small rural communities where there are no other opportunities for employment.

Recommendations

The combined pressures of resource dependence and demographic decline make the prospects for small rural and remote communities daunting. Where there is a successful mine, saw mill or fish processing plant, trained workers and good management can achieve high productivity and economic sustainability. As long as long-distance commuting allows workers to maintain homes in rural areas and earn high wages elsewhere, there will be some stability, but more and more families choose to live in large centres, or within daily driving distance of larger centres, where they can access health care, personal services and amenities. Other than for remote communities, a regional approach to economic development, labour market planning and governance is essential. Remote communities will need policies and programs adapted to their unique needs, but expectations of equal services will likely need to be tempered significantly. Governments will respond to opportunities and local leadership, but regional – as opposed to local – capacity development must become the mantra for decision makers at all levels.

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3.1

Yukon

Ken Coates and Amanda Graham

The mystique – and attraction – of the Far North is overwhelmingly rural. Historical images of the region highlight Indigenous occupation of traditional territories, European explorers venturing out across vast uncharted lands, and prospectors searching for gold along the riverbanks. Contemporary images, while different in nature, have a similar hue: white water rafting along ferocious northern rivers, photographers venturing into wilderness tracks, homesteaders setting up their cabins along a bucolic subarctic lake. This is the Yukon of history and tourism brochures, the Far North of the imagination, and Canadian fantasies about the northern territories¹. The reality, while including glimpses of these imaginings, is much different.

The Yukon today is a predominantly urban society: 27,962 people (just over 76% of the total population) live in the territorial capital (June 2014)². Another 3,487 people live in the next two largest communities, Watson Lake and Dawson City. And it has long been thus. During the world-famous Klondike Gold Rush, most residents lived in and around Dawson City, the entrepôt for the gold fields (the population of the region peaked at around 30,000 before 1901, a number it has not exceeded since that time).



In those early years, the rest of the territory was home to around 4,000 Yukon First Nations people, who lived and travelled lightly on the land. The Yukon population collapsed after the Gold Rush, falling from over 27,000 at the time of the 1901 census to 4,157 in 1921 before surging again after 1942 when the construction of the Alaska Highway and related military projects brought tens of thousands of soldiers and construction workers to the region³. One effect of the WWII “invasion” by American soldiers and Canadian and American construction workers was the undermining of Dawson’s role as the territorial capital and the emergence of Whitehorse as the largest community in the Yukon.

The contours of present-day rural life in the Yukon are very simple: Whitehorse dominates the territory, economically, socially, and politically. A network of small communities and mine sites overlies the southern two-thirds of the territory, with centres located along the Alaska, Campbell, and Klondike highways. These are tiny communities, with all but two under 1,500 people, many with substantial First Nations populations, basic (and sub-basic) services (e.g., highways, health centres, elementary schools), and little in the way of non-highway/tourist-related business activity. The mining labour force tends to be quite mobile; few of the workers live permanently close to the mines, with most staying in Whitehorse or “Outside,” that is beyond the borders of the territory. Unlike the situation in the Northwest Territories, almost every community has a highway connection. Only the village of Old Crow (population 249 (June 2014)), located several hundreds of kilometers off the Dempster Highway, is without road access.

The number of “real” rural people, living off the electrical grid and emphasizing self-sufficient lifestyles, is surprisingly large and getting larger across the territory. In the Southern Lakes, along old mine roads, and in many of the Yukon’s seemingly unlimited number of scenic locales, individuals and families have taken up residence. While some have gone back to the “living off the land” lifestyle, most have modern, well-equipped homes, just located along the shores of Bennett, Marsh and Tagish lakes, in the shadows of the stunning St. Elias Mountains, or in the commuting belt around Whitehorse. These folks are a diverse group, some migrating from Whitehorse and southern cities for a quieter, less impactful life; visitors from Europe (especially Germany) who became entranced by the wilds of the Yukon; artists looking for Subarctic inspiration; and still others search for cultural and spiritual connections with First Nations people. It

appears, in fact, that there are more “real” rural people in the Yukon than Alaska, which celebrates and highlights the lifestyles of those living in the bush.

Yukon First Nations, whose ancestors roamed freely across the vast lands of the upper Yukon River basin, actually have comparable residential patterns. The largest group (4,130 (June 2014)) lives in Whitehorse, including many from the rural Yukon communities. Seven of the Yukon’s 17 communities have majority Aboriginal populations (Old Crow (88.35%), Pelly Crossing, Ross River, Burwash, Carmacks, Teslin and Carcross (59.96%) in descending order). There is a great deal of movement back and forth between the capital city and what are called the rural communities, and strong financial and social ties focused on Whitehorse. Many live part of the year in outlying fishing, hunting, and berry-picking camps; a smaller number lives permanently in remote corners of the Yukon.

The superficial impression one gets of rural life in the Yukon – of demographic collapse, migration to the territorial capital, and economic marginalization – is misleading. Although the percentage of the territorial population centred on Whitehorse has increased from a decadal average of 66% (1974 to 1983) to 75.4% (2005 to 2014) and, in 2014, the area outside Whitehorse had only 8,705 people (23.7% of the total population), the rural communities have eight of the nineteen (42%) seats in the territorial assembly. The Yukon Party’s long dominance of the Yukon government is rooted substantially in its success in the outlying constituencies. First Nations have changed the urban-rural balance even more. The signing of their land claim Umbrella Final Agreement in 1993 and the subsequent signing of accords with eleven of the fourteen Yukon First Nations has brought millions of dollars in investable capital to the First Nations, only one of which is centred in Whitehorse. In addition, protocols and structures for research, environmental assessment, development-project approval, and impact and benefit agreements with resource firms have strengthened the hands of rural First Nations in a way that few would have imagined only thirty years ago.

Political and economic power has not resulted in dramatic improvements in rural First Nations life, however. Life chances in the smaller Indigenous communities lag well behind those in Whitehorse and the south, though almost two-thirds of Yukoners report a strong or very strong sense of belonging and over 90% report they are satisfied or very satisfied with their lives⁴. Educational attainment generally is

better than across the country as a whole. In 2011, 67.1% of Yukoners 25 to 64 have a postsecondary qualification (compared to 64.1% nationally)⁵, while 51.0% of Aboriginal identity Yukoners in the same age group have one (compared to 48.4% nationally)⁶. This is, in significant measure, due to a well-funded education system and a very active Yukon College that specializes in adult basic education and work-force training and higher education. For Aboriginal rural residents, unemployment is high, income low, and socio-cultural challenges often quite severe, a reality that has convinced many First Nations to embrace collaborations with resource companies in order to provide more jobs and to produce a higher quality of life in the region.

The Yukon Territory, as one of the most highly subsidized societies in Canada (it ranks third in per capita allocation of federal support in Canada, 2014-15 at \$24,722 behind Nunavut and the Northwest Territories, compared to \$3,720 in Prince Edward Island⁷), provides decent services to rural areas. Basic infrastructure, from roads to internet to medical care, is much better than in the vast provincial north of Canada thanks in large measure to federal financial support. But the challenges of rural Yukon remain. Whitehorse is a powerful “magnet” that draws people, wealth, and opportunity to the capital – including much of the First Nations’ investment from their land claims settlements. There is, as well, no regional offset to Whitehorse, no second community with sufficient economic and political power to counterbalance the overwhelming presence of the territorial capital. This has shown up recently through the Yukon variant of the Wal-Mart effect. The Whitehorse Wal-Mart opened in 2001, causing a rapid shift in the city’s economic order but undercutting retail operations across the territory⁸. So powerful is the retail strength of Whitehorse that several of the smaller communities -- no longer have full-service grocery stores⁹. The advent of electronic commerce, which allows consumers to shop globally, is further undercutting the commercial viability of small-town operators. Newly opened groceries in Haines Junction and Old Crow show, in contrast, that there is both a need and a will for retail services in the small towns.

There are other challenges. Government funding ensures that the electrical and Internet grids are better than most rural areas in Canada, there are still shortcomings in rural infrastructure. Schools and health centres have difficulty attracting and keeping the professionals (although this is less of a problem than in many parts of rural Canada due to the natural attractiveness of many of the outlying

Yukon communities. Young people, many of whom relocate to Whitehorse for high school are prone to leaving permanently for the city or heading outside for work and education. In this, the Yukon shares problems with rural areas the world over.

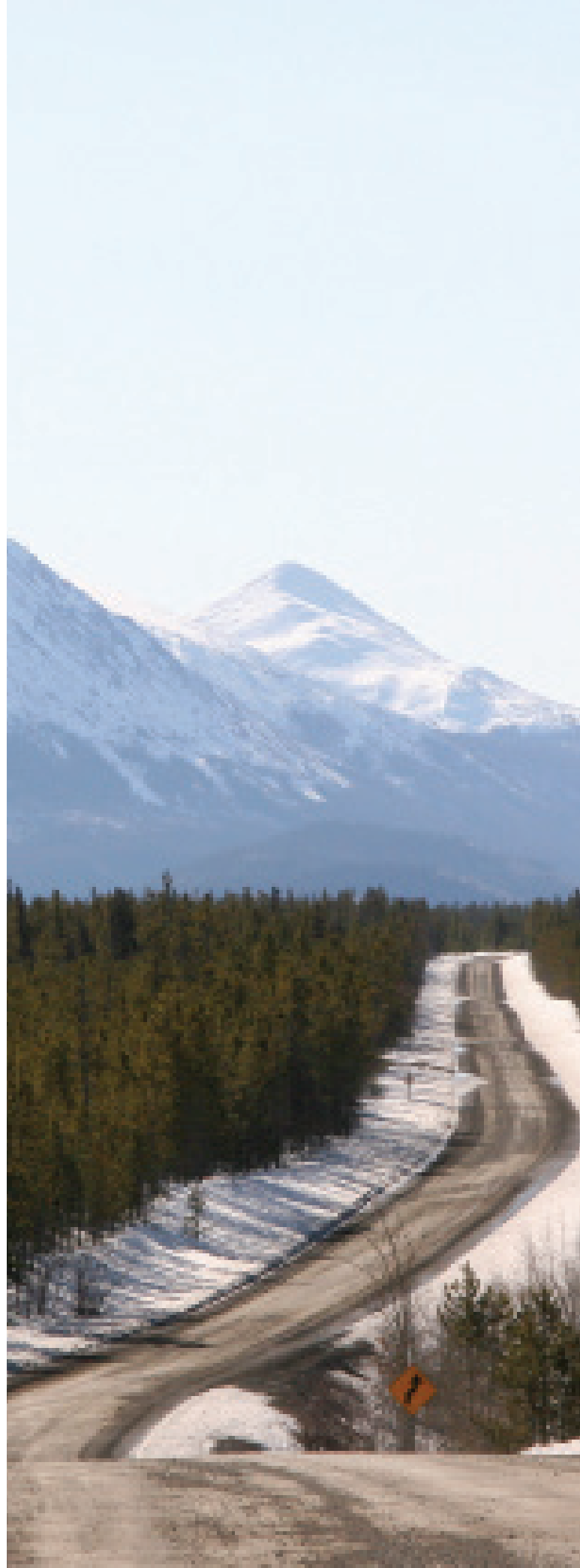
The people in the outlying communities and rural Yukon generally are working hard to reverse the demographic and economic challenges. First Nations are using their financial resources and economic authority to get much better deals with resource companies than in the past. For example, the Vuntut Gwitchin First Nation in Old Crow, located in the northern part of the territory, is very entrepreneurial and co-owns a regularly scheduled airline that flies between the Yukon and southern cities. Champagne-Aishihik First Nation has long been innovative and forward-looking in its investments and is a commercial force to be reckoned with. Carcross-Tagish First Nation, based an hour south-west of Whitehorse, has some of the most creative entrepreneurial strategies of any Indigenous group in Canada. The Kaska First Nation, located in south-east Yukon and northern British Columbia, has not signed a treaty but is developing a Kaska Resource Law and working on new partnerships with development companies.

There are other initiatives designed to strengthen socio-economic conditions in the rural areas. The Tr’ondek Hwech’in First Nation in Dawson City, for example, are developing a teaching farm and greenhouse to create both jobs and healthy food supplies for their central Yukon communities and several central Yukon communities are exploring the viability of a shared greenhouse. First Nations engagement in tourism, mining training, and other initiatives illustrate a deep community commitment to resilience and sustainability in place.

The Yukon government, empowered since the 1960s by a lengthy process of devolution of power and resources from the Government of Canada, provides considerable support to rural areas in the Yukon, more so than most other jurisdictions in Canada. The Government of Canada, as a result of the political processes, is less active than it had been in the past. The rural Yukon has its advocates and special programs, but a long-term solution for rural viability remains elusive. Whitehorse might be the greatest challenge for the rural Yukon communities, but land claims will help to anchor and even attract people to “the communities.” The Yukon Territory is quite different from the two other northern territories. Geography, geology, proximity to the United States, the Alaska Highway, the White Pass and Yukon Route Railway, the over 300,000 tourists, 4,821 km of

roads, 9 radio stations, 5 newspapers and 2 television stations, 2 MacDonald's restaurants, etc., make it seem from a southern perspective, not so different. The result is that discussions occur less about "the north" and most about "the Arctic." Yukon is not imagined as an Arctic place. Its role in matters of Arctic sovereignty and security is minimal.

The rural Yukon continues to face major forces for change. Technology has been transforming the north for years, as have investments in infrastructure and capacity building. The pull of the capital city and southern centres remains strong and is actually getting stronger as the gap in income, employment, services and facilities between the larger communities and the rural areas grows. Lifestyle opportunities, with the Yukon's impressive natural setting attracting working professionals from around the globe, provide something of an economic and social offset, but not sufficient to this point to put rural Yukon on a favourable or sustainable trajectory.



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9. The current Yellow Pages lists grocery stores in Dawson, Ross River, Faro, Mayo, Pelly Crossing, Carmacks, Teslin and Watson Lake. In addition, there are some seven grocery stores in Whitehorse along with Walmart and two Shoppers Drug Marts and dozens of small and specialty food and convenience stores. The Haines Junction and Old Crow (opened May 2015) stores are important developments. The food retailing sector forms about 30% of the total retail business in the Yukon.



CARCROSS

MAINTENANCE
BUILDING

3.2

Northwest Territories

Pertice Moffitt and Ashley Mercer

In the Northwest Territories (NWT), the land, plants, animals and humans hold a kin interrelationship that has consummated livelihoods for generations. Resilience is central to this landscape whereby traditional knowledge, experience, skills, language, interconnections with the land, and resource care have all sustained the health of local people for generations. Abundant interpersonal relationships define daily life fostering a connection to place that defeats a sense of remoteness. The NWT tends not to be talked about under the binary oppositions of rural and remote; however, while both factor into its make-up, neither truly captures the essence of this vast and diverse territory. A better descriptor might be 'cultural landscape', which incorporates into a single concept small urban settings that are widely dispersed in a vast rural landscape.

* According to the World Heritage Center, cultural landscape defines the interaction between humans and their natural environments. This definition is most appropriate for the NWT where 51% of the population are indigenous peoples who have an extensive relationship with the land ^{1,2}



The NWT is a vibrant place to live where you feel connected to place through the positive connections and relationships you make with the land and the people. In contrast, it is also a region where many communities lack even the most basic service provisions most Canadians take for granted, such as: food that is both reasonably priced and regularly accessible; access to necessary health and social services; access to reliable telecommunications services; job opportunities in a wage economy; security of affordable housing and, in some communities, community-based police services. It is a region with long and complicated history of relations with the federal government and of the struggle for Aboriginal self-governance. It is the dynamics between these that characterize the continuing political realities of the NWT.

Demographics and Human Capital

The NWT is located in northwestern Canada to the east of Yukon, west of Nunavut, and north of Alberta, Saskatchewan, as well as the northeastern corner of British Columbia. The entire population of 43,500 citizens could count as a small city, and Yellowknife, the capital, approximately 20,000 citizens, would be a town relative to the other provincial capitals. This tiny population lives in a land mass that is approximately 1.3 million square kilometers characterized by rugged terrain consisting of exposed rocks, tundra, and boreal forest scattered with many lakes including two of the largest lakes in the world, Great Bear and Great Slave. Thirty-three communities are the homeland of this sparse population³. Another quarter of the citizens live in four regional centres in other parts of the territory[†]. The rest of the communities, ranging in size from 100-1000 people, are dispersed across the vast land mass. These smaller communities are largely Aboriginal and established in traditional meeting places or in locations formerly associated with the fur trade. Within the capital and regional centres, there is a great deal of diversity including new immigrants, Euro-Canadians, and Aboriginal people, while in the smaller communities there is a greater homogeneity of indigeneity. There are 11 official languages: English, French, Cree, Inuktitut, Gwich'in, North Slavey, South Slavey, Innuinaqtun,

Chipewyan, Tlicho and Inuvialuktun.

The NWT has a youthful age structure, with about one fifth of the population under 15 years of age[‡] and an additional 16% under 24 years of age. Individuals sixty-five years and older account for only 6% of the population, which is half as many older adults as the Canadian average (16%). Partly, this is due to the transient nature of the larger centres where individuals of retirement age frequently relocate to southern Canada. Only Nunavut has a younger population structure than the NWT. In recent years, however, there has been an upward trend in our older adult population and a downward trend in the under 15 years of age category. An improvement in health status for older adults seems to be implicated in this aging trend and health education could be contributing to a lower birth rate.

Governance

Governance within the NWT is complex and unique. Historically there has been significant control of territorial governance by the federal government. As late as 1967, the seat of the government was in Ottawa, with appointed federal officials administering all aspects of NWT from afar. Jock McNiven was the first northern resident appointed to the Executive Council in 1947. Over time, more power has been devolved to the NWT including the recent devolution of control and management of crown lands. This ongoing process of devolution is an important issue facing the Government of the Northwest Territories (GNWT)[§].

The territorial government has many but not all of the same authorities as provincial governments[¶]. Uniquely, there are no political parties in territorial politics; instead individual members represent their constituencies in a consensus-style of government. There are 19 elected officials, from which Premier, cabinet and regular members are chosen. The electoral jurisdictions are culturally and geographically divided and population does not figure significantly into the formula. In addition to the GNWT there are seven

[‡] This is in comparison to the national population of 0-14 year olds which is 16%. No other province or territory, with the exception of Nunavut, has populations with over 19% 10-14 year olds (Statistics Canada, 2014).

[§] See Andrews⁴ for a broader discussion of NWT history and relations between state and indigenous populations.

[¶] Unlike provinces, territories do not have the authority to amend their constitutions and control the management and sale of public lands.

[†] 2014 populations of regional centres: Fort Smith (population, 2536), Hay River (population, 3689), Fort Simpson (population, 1244) and Inuvik (population, 3396)³.

regional Aboriginal governments** and in the south of the territory, two reserves (Hay River Reserve and Salt River First Nation).

Two treaties, signed in 1899 (Treaty 8) and 1921 (Treaty 11), covering most of the NWT, ceded Aboriginal land rights to the Dominion of Canada in exchange for reserves and other provisions. However, as Canada failed to fulfill most of its historical obligations under the treaties, particularly in the area of granting reserves, the Dene have successfully argued that they serve simply as peace and friendship agreements, leading to several decades of modern treaty making in the NWT, with negotiations beginning in the 1980s. Today, across the NWT, there are both settled and unsettled land claims and self-government agreements. The claims, negotiated between the territorial and federal governments and a specific Aboriginal group, generally include provisions for self-government, shared land management, hunting rights, shared wildlife management, and cultural preservation. Land claims and the establishment of self-governments have enhanced the identity and self-determination of indigenous groups. In the words of John B. Zoe⁵, an Aboriginal leader, agreements were constructed on “the traditional view of co-existence, respect, collectivity, representation and recognition, and it is also grounded in the requirement to prepare the next generation to ensure the continuance of these perspectives.” The territorial geopolitical environment has shifted with each new agreement. The 1993 Nunavut Land Claims Agreement led to the creation of two territories, Nunavut and a smaller Northwest Territories dividing the former Northwest Territories into two. Continuing land claim and self-government negotiations are taking place across the NWT today.

NWT Economy

The NWT is a resource rich area, with significant oil, gas and mineral resources. However, traditional hunting, fishing, and land-based activities are central not only for subsistence, but for cultural, community and spiritual well-being, and are often in conflict with development scenarios. Resource development has challenged traditional ways of life and remains contentious. For example, shale oil fracking exploration

in the Sahtu region of the territory was approved by the National Energy Board in 2013 though the Dene Nation, and others, remain concerned about potential impacts⁶. The territory’s existing mining operations include a tungsten mine, diamond mines at Ekati, Diavik, Snap Lake and Gahcho Kwe (still in construction), oil-producing fields, with more new mines expected in the next decade. Currently, the NWT is the third largest diamond producer in the world accounting for 17 percent of the NWT’s 2013 GDP and projected to grow to 31 percent by 2018⁷. Oil and gas production, however, has slowed territory-wide from its peak in the late 1990s. The GNWT, another major employer in the NWT, employs approximately 4,700 public servants⁸. Retention and northern capacity building remain key issues in NWT employment strategies with an ongoing effort to decentralize government positions from the capital into communities.

Traditional foods, such as caribou, fish, birds, and berries are central to the diets of many in the communities. In a survey addressing the consumption of country foods, many community households’ dietary intake of country foods is well above fifty percent of their diet^{††}. Fifty-two percent of Aboriginal people hunted or fished in 2013⁹. The importance of traditional foods is not just for food security, it is connected to cultural persistence. The skills and knowledge related to traditional food collection is linked to the broader understanding of the land¹⁰. Threats to traditional food stocks including environmental change, contaminants, and climate change have placed significant pressure on subsistence hunting. The Bathurst Caribou, a central animal for the Tłı̄cho, has seen declines from 472,000 head in the 1990s to 32,000 head today⁸. Significant no-hunting zones have been established by the GNWT to protect the herd, but the strategy is controversial and Aboriginal communities that rely on caribou as a prime part of subsistence are directly impacted by the population decline.

Access to goods and services in the NWT is a challenge that is defined by the scale of the NWT. This is most noticeable when visiting community grocery stores. The cost of standard food items like eggs and milk range can be as much as four times higher than southern jurisdictions. While the cost of fresh produce is often too much for families in remote northern communities to bear, the lower prices for processed foods has given local people little option in their store-bought food choice, leading

** These include Akaticho Territory Government, DehCho First Nations, Gwich’in Tribal Council, NWT Métis Nation, Sahtu Secretariat Incorporated, Tłı̄cho Government, and Inuvialuit Regional Corporation, as well as three community-based governments: K’atł’odeeche First Nation, Salt River First Nation, and Acho Dene Koe First Nation.

†† Fort McPherson, 76.5%; Paulatuk, 74.7%; Tsiigehtchic, 79.9%; Fort Resolution, 69.4%; Kakisa, 94.4%; Łutselk’e, 91.9%; to name a few (Statistics Canada, 2008)



to obesity and chronic disease¹¹.

There is movement in the NWT to reclaim local economies and self-sufficiency. For example, the Łutselk'e First Nation is engaged in a Solar PV Project that is projected to supply 20% of power to the community; an on-line Tłıcho store is supporting local arts and crafts nationally and internationally; The Farm Training Institute in Hay River has been created to provide education and training; and wood harvesting in Fort McPherson has prompted local business development.

Infrastructure and Services

Infrastructure in the NWT is still under-developed. The NWT highway system consists of 2200 kilometres of all-season roads that reach to all regions except the Sahtu, providing road links to 17 of the 33 communities. These roads add 1,440 kilometers to the highway system, and provide avenues for heavier and cheaper supplies to be transported. The duration and stability of these essential ice roads is under threat by a warming climate. Regionally, methods such as boats, ATVs or snowmobiles, are used seasonally to travel between communities and access hunting areas, linking regional communities

despite limited road infrastructure. Marine barge service brings supplies to Mackenzie River and some coastal communities during the brief shipping season.

Quality and extent of telecommunications varies across the NWT. As late as the 1960s, some communities were unable to make long-distance phone calls. While now, almost all communities have cell service, telecommunications outside of municipal areas are limited. Internet connections are inconsistent or limited in many communities and within those that have a reliable connection, costly^{††}. The GWNT is currently undertaking a massive 82 million-dollar capital initiative to install over 1,000 kilometers of fiber-optic cable down the Mackenzie Valley. This will significantly alter the internet services along this corridor and provide opportunities for increased service provision through remote internet interactions.

Access to health services is limited. Health care in many remote communities is provided by registered nurses and local community workers in community health centres. There is a regional hospital in Yellowknife with some specialty care. Medical travel is a reality for birthing, for appointments

^{††} Access in 2014 to home internet by region: Beaufort Delta: 70%, DehCho: 52%, Sahtu: 68%, South Slave: 81%, Tłıcho: 50%, Yellowknife area: 90.4% ¹²

to see specialists for diagnostic services, and for critical care¹³. There are few women's shelters and counselling services for women fleeing violence is inadequate¹⁴. Mental health is a major concern with few services to address the needs of northerners. There are no treatment centres for addictions along with an overtaxed mental health counselling team that cannot keep up with the demands¹⁵. As noted by Christenson¹⁶, homelessness in both Inuvik and Yellowknife is on the rise leading to housing insecurity.

Education (kindergarten to high school) is provided in most communities, with strides in Aboriginal curriculum particularly the newly developed residential school curriculum¹⁷. There is a student attendance issue in many schools and graduation rates are below the national average but, evidence of student success can be seen, for example, in the pride of a small community, like Łutselk'e, where two students graduated from high school in their own community. Prior to this, students finished high school outside of the community. Recruitment and retention of teachers has been an ongoing difficulty that has been addressed somewhat through the Teacher Education Program at the local college. This decentralized college with three campuses (Yellowknife, Fort Smith and Inuvik) provides a variety of post-secondary programs (e.g., teacher education, nursing, social work, and business). Also, there are 23 Learning Centres in smaller communities across the north that provides adult basic education. Many university graduates are returning to the NWT and this enhances our homegrown workforce.

Aboriginal Issues

Colonial processes and the intergenerational impact of residential school have created what Irlbacher-Fox¹⁸ has referred to as social suffering for many Aboriginal people. As well, Moffitt¹⁹ described colonization as a health determinant resulting in disparities for Aboriginal people seen in greater proportions than in mainstream Canada. Some of the health issues particularly affecting the health status of the territory's Aboriginal people include chronic disease, (cancer is the leading cause of death); an increase in diabetes (200 new cases each year); arthritis is prevalent; substance abuse accounts for 58% of mental illness hospitalizations in the territory; suicide is 65% higher than the national average; family violence is the second highest in Canada²⁰. Despite these statistics, the resilience of the people is evidenced in their preservation of traditional

knowledge, cultural identity, and practices and in their efforts to create healthier communities.

As noted earlier, there has been a great deal of progress by Aboriginal groups in the territory to settle their land claims. Indigenous people are gravely concerned about loss of their language. Local languages have been marginalized with a default to English in education, business, and territorial events. Although many Dene and Inuit languages are officially recognized in the territory, it is difficult and costly to obtain translation and interpretive services when language fluency is decreasing and the number of speakers are declining. Given the oral tradition of the Aboriginal people, there is concern with loss of stories and history as elders die without their words recorded and preserved.

A key issue for all peoples of the NWT, but particularly Aboriginal people, is climate change. Along with significant political, economic, and social impacts, warming of the north is a major concern for local peoples, since their way of life is threatened as they become dislocated from their past practices. Water levels are decreasing to such low levels that the barge [boats] bringing supplies to communities cannot make it up the river. Currently and in the recent past, we are experiencing an increase in forest fires due to hot dry summers. The lack of availability of water is threatening the forests. Air quality is causing respiratory issues for many and visibility becomes an issue for aviation. Furthermore, the effects of climate change have been described as far-reaching encompassing impacts to both health and the environment as they are crucially linked²¹. Changes to the water, ice, and permafrost are occurring at a faster rate than was expected causing increases in the level of sea water, a decrease in the ice cover, and a decrease in permafrost²², leading to landscape instability and impacts to traditional harvesting practices.

Accompanying climate change are the pollutants and contaminants that reach the north and damage the country food consumed by local people. Pollutants (e.g., heavy metals, DDT and PCBs) to country food are transported through atmospheric currents or from mining products or pesticide use. Contaminants are harmful to humans in early development and chronic exposure through consumption requires ongoing monitoring. For local people, this causes a quandary since the benefits of country foods must be considered against the risk through frequent assessments²³.

Conclusion and Implications

There is much to celebrate in the cultural landscape of our territory: the achievements of Aboriginal people to reclaim their land; the traditional knowledge held and shared by elders; entrepreneurs and artists who are maintaining the arts and cultures of the territory; the beauty and natural environment that attract tourists from many countries; and, the land resources that are plentiful. In spite of these benefits, disparities continue, particularly for Aboriginal people. The social determinants and limited resources invite action for change, such as, anti-poverty strategies, housing improvements, mental health programs, alcohol and substance programs that will improve health status and livelihood. Efforts to sustain Aboriginal languages must continue with the development of language strategies, the provision and creation of language classes, and the allocation of funding for language programs. Stewardship of the land is important to the peoples of the territory and there needs to be increased efforts to prevent the detrimental effects of climate change. At issue, there is a lack of true consultation between all governing groups to work together to transform the existing challenges and improve the lives of the territorial residents.



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3.3

Nunavut

Chris Southcott

Nunavut is the youngest territory in Canada. It is a region that was born out of a great hope for a new type of society – a society that differs substantially from the standard vision of a western urban one. It was created to both protect a traditional Indigenous lifestyle and culture that has existed for thousands of years and at the same time ensure the people of the region would have the necessary political tools to create a contemporary future according to their needs¹. It hoped to provide its communities with the tools they needed to help them deal with the historical trauma they have been dealing with over the past 50 years and improve their well-being.

Nunavut as a region does not fit easily into the traditional discussion of rural-urban differences. It is composed of 25 communities that, range in size from 130 people to the capital, Iqaluit, with a population of 6,700². Based on the definition of rural being communities of less than 1000, 75% of the population of Nunavut can be categorized as being urban. Yet, as many studies have shown, the existence of all communities in Nunavut are still heavily dependent economically and culturally on harvesting the benefits of the land and as such can be seen as rural.



From one perspective, these communities have been in existence for a relatively short period of time. Most communities date from the late 1950s to the 1960s. Yet from another perspective they have been in existence for thousands of years – albeit not in fixed locations. The population of the territory is primarily Inuit. Over 85% of the 31,900 people that live in the territory are part of a culture that until the late 1950s and 1960s lived in small mobile groupings which based their existence primarily on hunting and gathering³. While the policy of the federal government had been to keep the Inuit of northern Canada “on the land” so as to ensure the protection of their lifestyle, a number of events occurred in the 1950s and 1960s which caused the federal government to reverse this strategy and create a series of central communities where many of the health and education services that other Canadians took for granted, could be provided.

The radical nature of this change, and the structures that were created to manage the change, have created what many are now referring to as a “historical trauma” for these communities. This trauma has resulted in a range of social, cultural, and health issues that represent enormous challenges for the communities of Nunavut. While the creation of Nunavut was seen as a first step in helping these communities deal with these challenges, the first 16 years of existence of Nunavut have shown that, while some improvements are starting to be realized, many obstacles remain.

Demographics and Human Capital Development

Nunavut as a territory has seen strong demographic growth over the past 20 years⁴. Overall the population has increased from 20,900 in 1991 to 31,900 in 2011, an increase of 52%. Since their creation in the late 1950s and 1960s, the 25 communities of Nunavut have generally all seen increases in their population although there is a great deal of variation in these increases². The greatest single loss of population in a community occurred when the primarily non-indigenous mining community of Nanisivik, created in 1975, closed down about in 2002*. Since the closure of Nanisivik, all communities in Nunavut have a majority Indigenous population

with only Iqaluit having a non-indigenous population larger than 25% (42%)⁵.

Almost all population growth is due to a natural increase of the Indigenous population. Both in-migration and out-migration is limited primarily to non-indigenous migrants working in the public sector⁶. One result of the importance of natural increase is the fact that the population of communities in Nunavut tend to have a high percentage of youth. In 2006 34% of all people living in these communities were between 0 and 14 years of age compared to a national average of 17.7%⁴. There are also relatively few elderly. Only 2.8% of the population of Nunavut were 65 years of age or older in 2006 compared to a national average of 13.7%.

Demographically speaking Nunavut communities can be portrayed as being young and growing. Migration is limited as the Indigenous population of the region display a strong attachment to their home communities. This attachment is perhaps surprising given the many challenges facing these communities. One of the most important is that of education and human capital development. There have been a number of studies highlighting the problems in these communities surrounding education^{7,8,9,10}. Improving education is now, and has long been, a concern of people living in the communities of Nunavut. Indeed this concern was one of the reasons for centralization into villages in the 1960s³. Yet education continues to be a challenge. While only 15% of the Canadian population between the ages of 25 and 64 in 2006 had less than a high school diploma, this figure was 46% in Nunavut¹¹. Low high school graduation rates have long been an issue in Nunavut and recent statistics indicate that the problem may not be improving¹².

Governance

The creation of Nunavut has enabled a situation where there is a greater ability of the people of Nunavut to govern themselves. While the territorial government does not yet control some key areas such as natural resource development, they do have considerable powers in other areas¹³. Despite this situation there are still challenges being faced by Nunavut communities in terms of governance. Capacity is an issue in the region¹⁴. While opportunities exist, the region often does not have the capacity to take advantage of these opportunities. Nunavut has been unable to fill many of its government jobs with Inuit from Nunavut. It is forced to look outside

* Two other smaller outpost villages in the Bathurst Inlet saw population decline during this period. Umingmaktok went from a population of 53 in 1991 to 5 in 2011 and Bathurst Inlet when from 18 to 0.



the region for people to fill these jobs and often the jobs go unfilled for long periods of time.

The territory is in a unique situation of governance in that while the Government of Nunavut has the responsibilities for the delivery of many services, it is the land claim organization, Nunavut Tunngavik, along with its regional bodies, that control many aspects of economic and social development in the region¹⁵. Discussions regarding benefits from resource development often take place between land claim organizations and companies with limited involvement of the territorial government.

Economy

All the communities of Nunavut are based on a “mixed” economy¹⁶. The traditional subsistence economy has been that which they have relied upon for their survival for thousands of years while the wage economy is relatively recent. In addition, transfers from government and other sources represent an important aspect of the economy. Hunting and gathering activities continue to play an important part of these communities not only from an economic perspective but also from a cultural and social perspective even though official figures show that these activities represent a small, but constant part of gross domestic product in Nunavut¹⁷. Commercialization around these activities has been possible in some communities¹⁸, however, pressure from animal rights activists have had a negative impact on attempts to re-invigorate this sector of the economy.

Public sector expenditures represent the most important sector of the economy with 32% of Nunavut’s gross domestic product coming from education, health, and public administration expenditures¹⁷. Mining is now the next most important sector of the economy following the opening of the Meadowbank Gold Mine in 2010 and the Baffinlands Iron Mine in 2014. Mining continues to be seen as one of the most important sectors for growth in the region. Mining represented 18% of GDP in 2014. Construction, some of it related to mining, represented 16% of GDP.

Arts and crafts production has been, and continues to be, an important part of the economy in several communities especially that of Cape Dorset¹⁹. New activities that communities are hoping to develop in the region include commercial fishing and tourism²⁰. It is interesting to note that communities in Nunavut have expressly attempted to develop a “social

economy” based on traditional values of cooperation and community well-being rather than competition and profit-maximization²¹.

there is also a realization that extractive resource development may be necessary in order to provide the benefits to make this happen.

Challenges

Despite the growth of these communities and the relative absence of out-migration, the communities themselves face a number of important challenges. Many of them are the result of the rapid change introduced over the past 50 years. More recently many of these challenges are being seen as at least partially the result of historical trauma^{22,23,24}. Social issues such as high suicide rates, alcohol and drug abuse, homicide and assault, and family violence are often present in these communities.

Food security is an important issue in Nunavut communities^{25,26,27}. Challenges to the traditional economy often limit access to traditional foods. Food costs are often extremely high in the region which makes it difficult for those with little money. Much attention has been devoted to climate change and while it has yet to create challenges in most communities it may represent a future challenge to food security and health^{28,29}.

Infrastructure and housing are both important challenges facing communities in Nunavut. The costs of maintaining the normal types of services in these communities that other communities in Canada enjoy are quite high. Energy is an on-going issue with most communities dependent upon costly and unreliable diesel generators. The delivery of water and the collection of waste are dependent on trucks that often breakdown creating sanitation problems. Waste disposal is often a problem and resulted in an uncontrolled fire at the dump facilities in Iqualuit in 2014. Housing is often among the worst in Canada in terms of availability and quality and homelessness is increasing in importance³⁰.

While many of these challenges are linked to a difficult past, the most important factor in resolving many of these issues is ensuring a sustainable economic future for these communities. Unemployment is high and many are concerned that there will be few jobs in the future for their children. Mining represents a potential source of employment but many are concerned about both the impact of resource development on the environment and on their communities. There is a strong desire to develop a sustainable future based on the utilization of renewable resources but

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4.0

Discussions and Recommendations

Sean Markey and Greg Halseth

Conclusion

The chapters in this report present a story of rural Canada that is tremendous in its diversity and vibrancy. Many challenges exist, but we need a historical and contextual appreciation of rural Canada in order to chart appropriate future directions. The knowledge and intimacy with rural places captured here presents a contrast to a common perception – in the media, in policy arenas – of rural Canada as simply being in decline. The true dynamism of rural Canada is either ignored or simply unknown to an increasingly urban population and urban-based policy makers. As such, rural places are often presented simply as a rapidly depopulating resource bank for our provincial, territorial, and national economies, or as quaint relics of our less developed past.

If you add on discussions about globalization, urbanization, the ‘cities’ agenda, and so on, rural and small town places and rural issues more generally become even more lost within the national conversation. Worse, such discussions may import an implicit view that rural and small town places don’t matter or are not relevant in the 21st Century, beyond being disconnected locations adjacent to sources of oil, gas, hydroelectric power, pipelines, minerals, food, and fibre.

To be clear, the chapters in this report illustrate that rural Canada has, is, and will continue to be viable and to be vital to Canada and its economy. Throughout its history and today, Canada is a trading nation. It is a successful trading economy in an increasingly globalized world. The bulk of the dollar value of our international trade is from the export of natural resources, and those natural resources are almost entirely produced in non-metropolitan Canada. As a complex economic engine, Canada requires vibrant management services, supportive

public policy, a dynamic entrepreneurial culture, urban and port / gateway centres, and the resource producing rural and small town places that power the economy. Urban and rural are not separate. They are partners who together support the quality of life that Canadians enjoy.

Despite the vital role of rural places in this country, and despite their partnership with urban Canada, we have been neglecting rural places and permitting an erosion of their important community development base. Fundamentally, we have forgotten how to re-invest in rural and small town places, preferring instead to simply run down the capital invested by previous generations, and view infrastructure renewal simply as line item costs that we “can’t afford”. The authors in this report make it clear that there is nothing inevitable about rural decline: where it is occurring, it is largely intentional by virtue of what we choose to do or not to do in our policy decision-making. Urban-based metrics of efficiency fail to capture the net benefit of investments in rural infrastructure and services, where higher relative costs are byproducts of both distance and lower population levels. The metrics that are being employed by our policy makers fail to understand how rural services themselves unleash multiple social and economic benefits. Also, as the chapter from New Brunswick illustrates, we are often simply measuring the wrong things, missing all of the quality of life components associated with why rural residents remain passionate about their communities – and how they contribute to society and the broader economy.

The chapters in this report also make clear that despite perceptions of decline, rural populations levels are either growing or remain relatively stable. They are not growing at the same rate as urban areas, thus representing a lower overall proportion of the Canadian population, which in the absence

of closer examination may give the impression of decline. Despite the positive story associated with rural population resilience, the authors in this report show that rural Canada has been undergoing dramatic demographic, social, economic, and environmental change over the past three decades. And yet, we haven't been paying serious attention to these trajectories of change. A fundamental challenge associated with addressing rural development issues is that the senior government (provincial, territorial, and federal) knowledge base about rural places has withered. Cuts to programs, services, and staff have meant that senior governments simply don't have the "boots on the ground" necessary to truly understand the rural condition. The chapters from Alberta and Saskatchewan warn us of some of the costs of centralization of decision-making, and how the assumed benefits of efficiency and cost savings often don't materialize in practice. Senior governments have also not invested in authentic engagement processes to seek this understanding. This is a shame because, as the chapters in this report illustrate, rural places have much to teach us about building strong communities and resilient economies in the 21st Century:

- In **demographic** terms, population aging and the recruitment of a "next generation" workforce together require investments that build robust new development foundations. Manitoba shows us how an integrated and collaborative approach to attracting and settling new immigrants can lead to vibrant communities. The Yukon chapter tells us about the success of the adult education and training programs at Yukon College that are leading to improvements in educational attainment with direct and positive impacts on employment. We also know that across rural Canada, rural places are employing innovative strategies to deal with ageing populations. They are using their volunteer resources to service and engage ageing residents, understanding how an ageing population can be a vital social, economic and cultural asset to communities.
- In **economic** terms, rural and small town places are proving themselves to be highly innovative in terms of responding to the pressures of low-cost global competitors. The story of economic diversification in Québec is worthy of further investigation. As noted in the Québec chapter, the rural economy in the province shows a gross domestic product (GDP) with a higher growth rate than that of Montreal and other urban areas over the past 15 years. In Newfoundland, we see the success of engaging young entrepreneurs to address, in part, local economic decline. While there are hurdles to overcome, their youth-oriented entrepreneurship programs are helping to revitalize community economies and build important skills for the future. Investment in these programs is critical, as many of the chapters (e.g., Ontario, Nova Scotia) identify that we are facing a critical window for succession planning in businesses across the country.
- **Socially**, the rural stereotype of having a strong sense of community, being places where everyone knows everyone, is supporting new pathways for social organization, community and economic development, and local capacity building. With limited resources, for example, rural communities and local organizations are models of innovation, doing more with less and achieving net positive impacts. These are lessons relevant to all communities and neighbourhoods in Canada. Rural communities are proactively re-imagining and re-bundling their local and regional assets to fit with their community and economic aspirations and service needs. The lessons from PEI about their Rural Action Centres provide an interesting service delivery model for other communities. Nova Scotia tells us a story of a vibrant social economy, where the social bonds and resilience of rural communities provides the foundation for an alternative economic model and social service delivery mechanism that values rural place.
- **Environmentally**, rural places are not artificially separated from, but they are intimately set within, their natural environment - a lesson that is increasingly relevant in urban areas. Issues of sustainability, environmental impact, conservation and engagement with nature are not abstract; they are part of daily life. Rural lessons show how we must transform from where the environment is an un-costed externality or waste sink to one where the environment is a sustainably stewarded foundation for communities, economies, and our quality of life. Northern communities in British Columbia, communities in Nunavut, and elsewhere show us how rural residents embrace a resource economy (and are the people in the country who are closest to the impacts associated with different sectors), but not where the environmental impacts threaten a way of life, opportunities for economic diversification, or functioning ecosystems over the long-term. Rural Canada also has much to teach us as we wrestle with the realities of climate change and climate change adaptation, providing a critical resource for the country.

- Finally, the chapters make clear that rural regions are on the front lines of negotiating the new realities of **reconciliation and wealth sharing** with Aboriginal communities. The settlement and redefinition of title and treaty rights, and the day-to-day realities of living and working together, represent opportunities to address historical wrongs and revitalize regional economies with development opportunities that are grounded by an intense commitment to place. In community development work, rural communities illustrate that cultural strength just as much as any other factor supports both community and economic resilience. The Federation of Canadian Municipalities and the Council for the Advancement of Native Development Officers Community Economic Development Initiative (CEDI) toolkit (profiled in the Manitoba chapter) provides examples of communities working hard toward reconciliation and mutual, respectful development. These lessons are relevant to all regions across the country.

Recommendations

How are the opportunities and challenges associated with these issues to be addressed and reconciled? In our rural and small town places, there are options being explored and paths being illuminated every day toward potentially meaningful opportunities for policy investment. Rural places are about adaptability and resilience, with many showing strong leadership in environmental protection, commodity production, new information technologies, and others. The authors in each chapter tell us that communities want economic development, but economic development without long-term degradation to the community and environmental assets that underscore the high quality of life they enjoy. They also want a “fair share” of the resource wealth, as we see in BC, particularly as they bear the greatest impact to their quality of life from the resource activities and an increasingly mobile workforce (where employment benefits flow to other jurisdictions) that are employed within each sector.

For generations, rural Canada has been part of the fabric for creating the Canadian cultural identity. If we are to imagine a successful country and economy into the heart of the 21st Century, we must imagine a new rural Canada. To start down the road to a re-imagined rural Canada, both senior governments and rural communities have responsibilities to make this more than just talk – we need a commitment to change that will create a lasting legacy, and

foundation for development, well into the future.

For senior governments, we need a new and robust vision and policy framework for rural Canada. In the absence of a vision for rural Canada, and in each of the provinces, a legacy of inappropriate, short-term, and narrowly perceived policies and investment decisions will continue to waste taxpayer dollars and further burden rural places with failed development decisions. Québec’s internationally recognized national rural policy is the exception within the country, and we can see from the Québec chapter how it is working to shape and influence rural development in the province in a myriad of positive ways.

Importantly, a rural policy framework must be founded upon recognition of the indivisibility of the economic, the social, the cultural and the environmental. The dominance of an economic imperative for centralized political and corporate decision-making undermines the community development foundations upon which rural economies depend (and residents increasingly demand). We need a commitment to a truly integrated rural development strategy.

Rural communities themselves must be active participants in understanding, planning and investing in their own futures. If communities don’t have a plan, how do they expect to engage constructively with senior governments when opportunities for engagement do arise? If communities don’t cooperate with each other at the regional level, or worse, act in a negative competitive fashion with each other, how do they expect to re-build their critical infrastructure? If rural communities are unwilling to invest in their own future, how can they expect senior governments and corporations to play their part? David Douglas refers to this as the necessary shift for rural Canada from case making (i.e., repeatedly making the case that rural communities deserve more help and attention), to place making (i.e., getting on with the task of planning and building communities with a high quality of life that will attract and retain both residents and capital)*. The chapters in this report make it clear that community and regional action matters. There are wonderful, inspiring stories of community and regional development from coast to coast to coast. We need to get better at telling these stories, sharing (learning from and celebrating) our failures, and working to adapt and scale-up successful models to other areas.

* Do, D. (2011). Place Making – An Antidote for the Endemic Case Making. Canadian Rural Research Network (CRRN).



For all Canadians, with the recent release of the findings of the Truth and Reconciliation Commission of Canada Report[†], there is a window of opportunity to acknowledge and seek serious corrective steps to heal the “historical trauma” suffered by Aboriginal peoples in this country, as explained particularly within the Nunavut and Northwest Territories chapters. Every author in this report has acknowledged the challenges that face Aboriginal peoples in all regions, but also the historic opportunities, opportunities that are being realized because of the efforts and changes going on within Aboriginal communities themselves, the promise held within their young and growing populations, and the emerging patterns of self-governance. For rural communities and economies, reconciliation holds the promise of enhanced clarity and certainty for economic development, and, the opportunity to anchor wealth and principled development within rural and regional economies.

Most importantly, as we approach a re-imagined rural Canada, we need to listen and understand rural peoples, both Aboriginal and non-Aboriginal, about their ideas and aspirations for the future. We cannot re-imagine our places and our economies without the vision and experience of those who live and work every day in these places. All chapters speak of the necessity of an authentic engagement with rural peoples. Ontario positions this approach as a commitment to place-based policy, “whereby policy is created that allow communities to respond to economic opportunities and challenges by capitalizing on local and regional assets.” This

challenges governments to formulate policy that provides the necessary support to mobilize local resources and assets.

These recommendations offer a constructive and inclusive pathway to a more diverse, viable, resilient, and sustainable rural Canada. They support a future where the strengths of the rural economy and its importance to Canada are fully recognized, a future where the intimately interwoven relationships between social development and economic development, and between cultures, communities, economies, and environments are not just passively or falsely recognized, but fundamentally inform and shape our choices. We need an inclusive vision, broad place-based policy supports, and an investment minded approach so that both communities and economies across rural and small town Canada have the tools to compete and succeed in the 21st Century.

CRRF has a mandate to work to better the lives of rural Canadians. As we can see from the chapters in this report, there is a diversity of “rurals” that this mandate encompasses, including communities that choose to identify themselves with cultural and traditional territories, instead of a binary of rural and urban. We, and our partners, will continue to engage with rural communities, support research, and – most importantly – tell stories to inspire positive engagement and change. We thank our partners from across the country for working with us on this initiative, and look forward to collaborating with the opportunity presented by the Rural Policy Learning Commons project to seriously advance our collective knowledge about how policy can make a positive difference to rural and small town Canada – and the entire country.

[†] The Truth and Reconciliation Commission of Canada. (2015). Honouring the Truth, Reconciling for the Future. Ottawa: The Truth and Reconciliation Commission of Canada.

5.0

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