

The Canadian Rural Revitalization Foundation

Regional Policy in Canada: lessons learned

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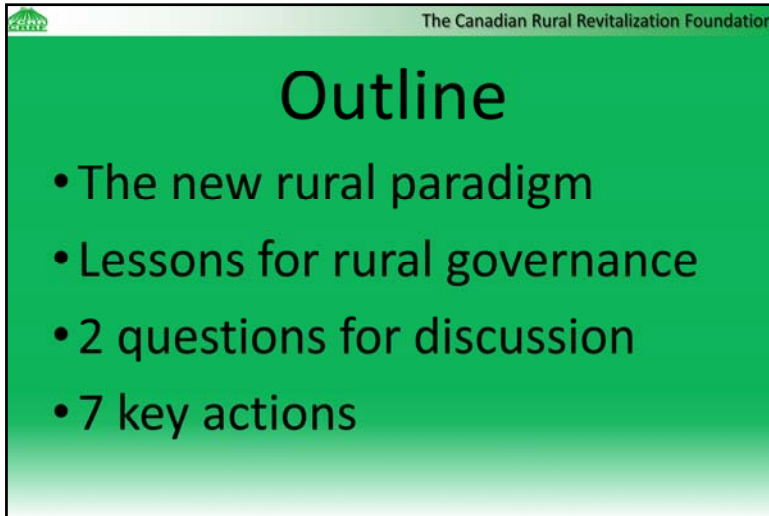
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Outline

- The new rural paradigm
- Lessons for rural governance
- 2 questions for discussion
- 7 key actions

- I will address 4 topics in this presentation
- Some brief comments on the new rural paradigm – as developed by the OECD
 - This is a convenient way to set the scene and outline in general terms what we know
- I will then identify a few of the lessons for rural governance that emerge from this work – and the more general research and practical experience taking place in rural development
- I will then put to you 2 questions that I suggest you consider for discussion as you move ahead on your agenda
- And finally I will make a few comments on the 7 key action items that you have identified as part of the “Harnessing the Tide” report

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Rural Canada has Changed

Old Rural Economy	New Rural Economy
• Homogeneous culture	• Diverse cultures
• Low mobility	• High mobility
• Simple and repetitive	• Complex
• Resource commodities	• Services, amenities, manufacturing
• Low knowledge demands	• High knowledge demands
• Local relations important	• External relations important

• This slide is here to remind us that rural Canada has changed significantly over the last 50 years.

• We have become (>) more diverse, (>) more mobile, (>) and more complex

• (>) No longer is rural simply a resource economy – but much more mixed:

• Services and amenities

• Manufacturing (rural manufacturing has remained competitive - growing its per capita share)

• This is something to keep in mind as we look for rural assets and opportunities

• (>) Demands for knowledge are much higher on businesses, producers, municipal governments, and NGOs

• (>) It's not enough to know only about the local scene – but need to know what's going on in the region, province, country, and the world

• That's why **building capacity** to understand and meet these new conditions has become the centre of attention for so many policy-makers, practitioners, and researchers



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How do we build capacity for these new rural conditions?

1. What are the current assets and capacities and where are they located?
2. How can they be supported?

- How do we build capacity for these new rural conditions?
- It may come as a surprise that we know quite a bit about this already
- That is why I am not going to spend a great deal of time making the case for the general principles of regional governance
- Instead, I will largely accept these principles as they have been formulated by the OECD and put 2 questions to you for discussion
- These are questions that need to be answered within a particular context (like BC) in order to move ahead on the general principles
 - What are the current regional assets and capacities and where are they located?
 - How can they be supported?

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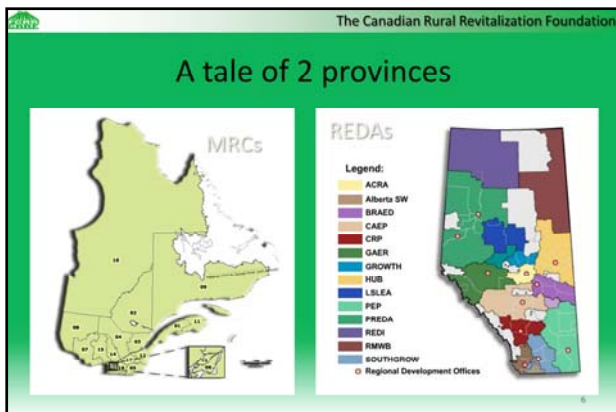
The New Rural Paradigm

- Build all local and regional assets
- Empower local and regional organizations
- Enhance co-ordination among governments
- Think rural



<http://rural-research-network.blogspot.com/> (see Freshwater)

- In 2006, the OECD released a report describing the new rural conditions along with some principles of governance that they felt were most appropriate for these conditions.
- Last year their Territorial committee met in Québec city to review this document and add to it the subsequent insights they had gained from their ongoing comparative project on rural and regional governance.
- Their conclusions are consistent with a considerable body of research on governance, rural, regional, and community development
- (>)Build all types of local and regional assets
 - The focus is no longer on subsidies (to primary industries) but on investments
 - And it goes farther than that:
 - It recognizes that economic development is not just about economic activities and organization – and certainly not just about one or two economic sectors
 - Improving all conditions is necessary for economic sustainability: Social, health, education, recreation, and welfare are all important goals along with the traditional economic activities
- They also affirm that sustainable regional development requires a bottom up approach to (>)empower local and regional organizations
 - If the local communities and regions are not taking initiative, we are left with local dependency that is a drain on all levels of the economy
 - It also means that all types of local organizations must be empowered: public, private, and civic
 - In most cases, this means building the capacity for local communities and community groups to work regionally – in order to provide sufficient population and diversity of assets for sustainable initiatives
- Since all assets are relevant at a regional level, this means increasing the opportunities and requirements for (>)enhancing coordination within and among government departments – at all levels.
 - Often requires restructuring, and as I will elaborate shortly – reorganizing the old ways of operating
- It also means that we need to learn how to (>)think rural
- Effective regional development requires a new awareness and appreciation of rural and remote places and people:
 - We need to learn what those places are like, what are the special demands they face, how largely urban-based policies affect rural people and places, and what those people and places offer to urban centres
 - We are fighting an uphill battle on this since our population is becoming more urban and the past generation of urbanites (with rural roots) will soon be dying off
 - An example of the impacts of this lack of sensibility can be seen in the recent cancellation of funding for the Rural Division of Statistics Canada.
 - We are in danger of losing our ability to collect, analyze, and distribute information about rural and remote Canada as a result of this decision.
 - This undermines your proposal for strong rural advocates (action #2):
 - If the data is not there, it will be difficult to identify the challenges, assess any changes, or make a evidence-based case for rural communities.



- Most of these principles have been accepted by the federal and provincial governments.
- In many respects, most have articulated the principles of governance that I have outlined, but with very different programs and with very different results.
- Perhaps the greatest contrast in my mind is between AB and QC (I will leave it to you to consider where BC fits in this comparison)
 - I will briefly outline them to illustrate my point
- Both of these governments champion a bottoms up approach and encourage local municipalities to engage in an expanded mandate over local decision-making – moving beyond the maintenance of roads and water to include economic development and environmental stewardship
- But the institutional contexts of the 2 provinces are considerably different
- (>)Under the Levesque government, Quebec established a number of regional boards (MRCs – 86 Municipalités regionales de compté) (sometimes against substantial opposition).
 - They were composed of mayors and municipal representatives with a mandate for regional development and resources to support them. The emphasis was on regional development – cross sectors and inclusive of social development.
- (>)In Alberta, the approach was more laissez-faire – where regional collaboration was encouraged, some resources were allocated to regional groups if they requested and justified it, but there was little consistent pressure for such collaboration (Regional Economic Development Alliances). The focus was clearly on economic development.
- The results have been dramatically different at the local level.
- In Quebec there are many examples of regional initiatives – tailored to local conditions and themselves providing a basis for second-order activities in small places (meetings, collaboration on joint products, etc.)
 - Over the 20 or so years of their operation within this new regime, local municipalities have learned how to use the regional structures to voice their concerns, debate, negotiate, compromise, and collaborate with other municipalities, and in turn, to negotiate with the provincial government on behalf of their region and village or town
 - In turn, the provincial government has discovered the value in subsidiarity – now allocating responsibility to the regional boards for a wide range of economic and social policy and programs, and (most importantly) showing confidence in the decisions and accountability of the MRCs – making the governance of the province both more efficient and effective
 - This system of consultation has even become more elaborated with the recent emergence of regional round tables – with more issue-focused objectives
- In Alberta the situation on the ground is very different
 - A few regions have taken initiative, formed their own corporate bodies, and moved ahead, largely on their own steam
 - Most municipalities, on the other hand, were unable to get beyond their protectionist traditions to reach agreements with their neighbours around the complex challenges they faced – either denying that conflicts of interests existed or refusing to discuss them in any but the most limited terms
 - In the end, the provincial government simply made the decisions for the municipalities left out of the loop, pointing to the failure of regional collaboration, lack of accountability, and the pressure of time as a justification for top-down management



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Lessons for regional governance

- Strong institutional support
- Multiple venues for collaboration
- Transparent policies for representation and accountability
- Learning to collaborate
- Patience and long-term commitment

- What are the lessons here?
 - First: Bottom-up development needs an institutional context of (>)strong institutional support at a regional level to make it work
 - Second: The inevitable conflicts of interest that emerge require (>)multiple venues for collaboration.
 - Successful collaboration requires a place where people can meet, exchange information, negotiate, and learn how to make the compromises that are necessary for action
 - Third: (>)Transparent policies for meeting the conditions of fair representation and accountability are necessary ingredients for establishing an adequate level of trust for the system to work
 - Fourth: In addition to having clear and relatively stable conditions people still have to (>)learn how to collaborate.
 - This requires the development of a common language and understanding.
 - Finally: all of this requires a spirit of (>)patience and long-term commitment by people and institutions that are not favourably disposed to either of these
 - It took Quebec 20 years of stressful and sometimes acrimonious work to get to the point they are today
 - When I spoke to the Carcross/Tagish elders about their plans for the reorganization of their people in the Yukon they reminded me that it took 7 generations to get into the mess we are today – so they felt that 7 generations was not an unreasonable time frame to think about getting out of it



- So – how do we move ahead on this knowledge?
- As usual, the devil is in the details
 - You are in a better position than I to make such suggestions about the situation in BC, but I can certainly help the process by providing examples of other's initiatives, successes, and failures.
- I can also make some suggestions about the type of information that will be useful to moving ahead.
 - I have formulated these in terms of 2 questions for you to consider – here and in your research institutions
 - They recognize that the greatest contributions to regional development come from the assets and capacities inherent in those regions
 - The problems are most often related to our failure to see them – as a result of inflexible organization, entrenched interests, institutional or geographical isolation, or lack of imagination
- The first question to ask is: What are the current regional assets and capacities and where are they located?
 - Of course, this depends on what you want to do, but I am assuming this is reasonably well identified – especially for those of you in the government sector.
- When thinking of your answers to this:
 - Don't remain limited to your department, municipality, or habitual sphere of activity
 - (>)When the town of Warner, AB was faced with the financial burden of their local arena, they redefined it as an asset by opening a hockey school for young women and now have expanded it into a year-round hockey residential school serving students from all over North America
 - (>)When firefighters in Barriere were faced with the problem of communicating and checking on residents scattered throughout the region, they turned to the local ATV club (Quad Squad) to provide notification, evacuation, and security support.
 - (>)The city of Inuvik discovered that the best insurance for sustainability in their boom-bust economy was to build their social infrastructure – as much or even more than the physical infrastructure
 - This photo pictures the community greenhouse they built out of the old arena
 - A structure that not only gave them fresh vegetables but served as a social and training centre for all ages.
 - They reasoned that if people liked living there, they were highly motivated to find solutions to the challenges emerging during both the low and high parts of the cycle.
 - This reinforces the wisdom of your 7th action item: vibrant communities are our best hope for meeting the uncertainties of the new global conditions
 - It gives the tools for action to the people who most care.
- All of these examples illustrate the critical importance of local knowledge
- Identifying assets and potential assets is not a simple process of constructing an inventory
 - It needs extensive input from specific people who are familiar with specific places
 - (>)The people of Warner knew their arena was in trouble and they knew how to seek an appropriate hockey coach
 - (>)The people of Barriere were the ones most concerned about the condition of their neighbours and the availability of the Quad Squad, and
 - (>)The people of Inuvik were daily confronted with the challenge of \$9/kg for tomatoes and the availability of the old arena.
- The realization of the connection between communication across the traditional boundaries is reflected in the genius of Québec's decision to place its health, economic development, education, and social services officials around the same table and in some cases in the same building.
 - Often requires outside support to organize, train, and legitimate their authority



- Which leads to my next question for you:
 - How can the identification and building of assets be supported?
- (>) Needs a broader strategy than the traditional one
 - A strategy that includes private and civic sector groups – and works across government departments
 - This reinforces your action item to strengthen regional development organizations (#3)
 - Small communities run as much by their volunteer groups, faith-based organizations, and local business people as by the municipal governments.
 - All of these groups need to be included in the revitalization and capacity-building process
- This can be a challenge for government organizations
 - Particularly around fair representation and accountability
 - (>) This needs some innovative arrangements to meet the demands without undermining the enthusiasm and working arrangements of these local groups
 - The application forms, financial auditing, and report-writing that are the traditional requirements for fair representation and accountability typically place considerable stress on local groups
 - Too often it means that the enthusiasm and capacity of volunteers is lost in the face of these demands
 - I am not suggesting that we abandon the requirements for fair representation and accountability in the face of this challenge – we are already familiar with the problems of patronage and corruption that can follow
 - Instead, I am suggesting that the major burden of the challenge be accepted by government – and not passed on to the citizens as is the current situation
 - There are precedents that can stimulate our thinking on this
 - Two-step application procedures that require a minimal proposal in the first round and a subsidy in the form of cash or consultation for those selected for the second round
 - We do it for large organizations with plenty of resources, why not do it for small groups who are struggling to survive?
 - Another option would be funded training for volunteers such as those developed by the Foundation for Rural Living in Ontario.
 - Volunteers are trained in application procedures, conducting meetings, and conflict management to build the capacity of volunteer and business groups to meet the more formal conditions of government agencies.
 - In all cases, the major part of the burden should be on the government partner in the relationship – a burden that can be very light for a large institution such as a government department, but provide a major and long-lasting benefit to local and regional groups.
- (>) When thinking about options for local and regional support – start with the existing groups and networks
- Governments have a tendency to duplicate existing networks in order to maintain control or because they are most comfortable with their own structures.
 - This is reflected in the language you use for your action items 2 to 4.
 - You plan to “create” regional development organizations rather than build or collaborate with existing ones.
- A better way is to work with existing networks while exploring new mechanisms for meeting fair representation and accountability objectives
 - This requires the innovation and flexibility I mentioned above since working with a variety of groups and organizations means learning how to be flexible
 - The advantage is that it:
 - Gives you extensive access to local knowledge and capacities
 - Takes advantage of the relatively high levels of trust that people give to such organizations (more than provincial or federal governments)
 - Treats them as assets
- (>) This is just another example of the important role of governments as bridging organizations
 - Bridging communities, community groups, entrepreneurs, and agencies with those in their regions, province, country, and the world
 - In many cases the identification of assets requires the knowledge of opportunities – and these often come from outside the local area – as the citizens of Warner discovered
 - The same is true for your objective of developing rural advocates (#2) – be sure to include looking beyond your borders
 - In universities
 - Other provinces (MB experiences with rural immigration; QC with regional collaboration; NL with university-community collaboration)
 - NGOs: FCM, CRRF, Research Centres
 - International: USA, Australia, Europe, South America, Japan
- (>) Finally – community asset-building can be facilitated by time
 - Learning how to learn, organize, build confidence, and make compromises all require a context where one can trust agreements made over the long term and anticipate that the efforts made today will have benefits tomorrow.
 - Only governments can provide this through institutional commitment and the tolerance for occasional failures along the way



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7 Comments on 7 Key Actions - 1

1. *Rural Strategy:*
 - Give it a rural, not an economic focus
2. *Rural Advocates:*
 - Provinces, Municipalities, Utilities, Manufacturing, Insurance
3. *Regional Development Organizations:*
 - Enhance existing ones

•Finally I would like to make some very brief (and possibly provocative) comments on the 7 key actions that you have identified in your Harnessing the Tide report.

•They are all highly compatible with the New Rural Paradigm, but as I have tried to illustrate with my QC and AB comparison, the devil is in the details.

•I will focus on this as I go through each of them.

1. (>)Create a rural strategy for BC

•Give it a rural, not an economic focus (even if your ultimate objective is economic)

•QC is the only province with a real rural policy – with NL not too far behind

•The others (BC excluded) typically have an economic policy – usually with a ‘made in urban’ flavour with the occasional attempt to accommodate selected rural challenges.

•A real rural policy will be multi-sectoral, inter-departmental, and sensitive to the three features of rural that make these areas distinct: distance, density, and identity

•An acid test: Does your rural policy include plans to meet the special challenges of health, education, labour, investment, transportation, communication, and governance capacity that are found in rural areas? Does it reflect a strong understanding of rural assets and how they work?

2. (>)Create strong rural advocates

•The window of opportunity for rural policy and research is rapidly closing.

•Urbanization of Canada continues (although the number of people in rural continues to grow, it is outstripped by those moving to urban)

•The generation with rural roots is dying off

•Most immigrants (the future of Canada) have urban experiences only

•As reflected in many of the federal government’s decisions, the awareness of rural conditions and the value of servicing rural interests is rapidly disappearing in the face of other pressures

•Commodity producers have little if any stake in rural communities – their eyes are on external trade and the past trend of chasing after their smokestacks has revealed itself to undermine those communities in the long run

•Our best bet when searching for institutional advocates is on provincial governments (since they have responsibility for municipalities), utilities (since they are compelled to operate in rural areas and will only benefit if the economies of those communities are strong), manufacturing industries (so long as we continue to find the niche markets that sustain them in rural areas), and insurance companies (since they are vulnerable to natural disasters – and with climate change rural areas are in for some big ones).

3. (>)Create new regional development organizations

•I would change this to “Enhance the existing regional development organizations”

•The language of this proposal betrays a limited view of the opportunities

•Working with existing organizations has a number of advantages:

•They have more popular support

•They probably know more about local conditions

•They are probably there because of a felt need

•The principle is a good one, however it requires innovation on the part of the government to meet the conditions of the regional groups

•Consider drafting policies for relating to and enhancing a wider variety of regional groups

•Relevant for the following action item as well



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7 Comments on 7 Key Actions - 2

4. *Create Venture Capital Fund:*

- Include the social economy

5. *Use Public Assets:*

- Explore and integrate multiple governance models

4. (>) Create new venture capital fund and assistance
- Great idea – but make sure it includes mechanisms for developing social enterprises as much as profit-based ones.
 - The social economy has great potential in rural areas – especially where social cohesion is stronger and collective traditions are part of the culture
 - Consider, for example, the successful experiment in Cape Breton, where a deal was made with the federal government to give unemployed workers the option of EI or working on social development activities designed by local communities (social research and demonstration corporation)
 - The 5 year project demonstrated how the participants in the community designed programs worked longer, learned more skills, and increased income. At the same time by participating in the program, the community increased their social cohesion and decision-making capacity, while they received the direct benefits of the work provided. (Community Employment Innovation Project – CEIP; <http://www.srdc.org>)
 - Consider what in your current policy package you would have to change in order to make such a program a permanent program in your toolbox for community and human development.
5. (>) Facilitate the strategic use of public lands and resources for regional development
- Getting control over local assets is an excellent goal for community development.
 - Our past policies and current addiction to commodity trade in our natural resources has undermined this ability over the last 100 years so we have to avoid the temptation and pressure to continue doing it in the future.
 - There are many experiments in community-based management of forests, the sea, hydro power, and the wind that are worth investigating as models for strategic action
 - BC is particularly well placed because it is in the middle of multiple negotiations with First Nations people – negotiations that include various arrangements for the management of natural resource assets.
 - This is an opportunity – to consider the wide variety of models that is emerging from these negotiations. The Native people that I know are very aware of the types of arrangements made in other parts of the country – and how well they are working or not working. This means that each new negotiation can learn from the previous.
 - It takes flexibility, imagination, and courage on the part of the government, however, since it means being open to new ideas of governance and working out new ways to meet the demands of fairness and accountability that are central to good government.
 - It's important to remember that fairness and accountability can occur in many different ways.



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7 Comments on 7 Key Actions - 3

6. *Reinvest in BC:*

- Make long-term commitments

7. *Maintain Viable Communities:*

- Invest in social infrastructure

6. (>) Retain and Reinvest a greater proportion of wealth in rural BC
- I have already touched on this when I mention the legacy of our commodity-based economy
 - It is well-established how much of the wealth of rural areas does not return.
 - We are only able to purchase our computers, ipods, and bananas because of the rural resources that we sell overseas – just as we have been able to weather the storm of the most recent financial crisis by the high price of oil.
 - Moving some of that wealth back to the rural areas is a worthy and intelligent goal, but to get there we need to do a few things first
 - We need to build the capacity of rural regions to manage the wealth
 - That requires the other element mentioned in the action plan – especially multi-year funding
 - The Quebec example demonstrates how important long-term stability is to the process of negotiation and compromise that is necessary for regional collaboration
 - Only if I know that the money will be there in 5 years will I be willing to let you get the new school now in exchange for the hospital in the future.
7. (>) Maintain viable rural communities
- I have already mentioned the wisdom of the municipality of Inuvik when they recognized the importance of making their town an attractive place to live
 - This message was repeated by many other participants who attended the CRRF national conference there in 2008.
 - The long term solution to the ups and downs of resource-based economies and the uncertainty of international markets and climate change lies in the ingenuity and enthusiasm of our citizens.
 - If they find their communities attractive, they will do all they can to stay there.
 - It is up to governments to help them learn how to do it – not only by providing the tools and information required, but by ensuring a context that supports experimentation, innovation, and the occasional failure along the way

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Building Rural Capacity

- Build all local and regional assets
- Empower local and regional organizations
- Enhance co-ordination among governments
- Think rural



<http://rural-research-network.blogspot.com/> (see Freshwater)

- In conclusion, I will take you back to the elements of the new rural paradigm
 - Building assets
 - Empowering local organizations
 - Enhancing co-ordination among governments, and
 - Respecting the special conditions of rural places and people
- Should all be on the agenda for a sustainable BC
- It's time to begin the hard work of identifying what this means for the particular history, culture, people, and assets of BC

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- Thank you
- I will be happy to follow up with any questions you have now – or in the future via my e-mail address on this slide.