

The Pathway to Prosperity in British Columbia Runs Through its Rural Places

A Long-term Strategy for
Rural Development



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A Long-term Strategy for Rural Development

A Discussion Paper Prepared for



**Cariboo-Chilcotin
Beetle Action Coalition**



**Southern Interior
Beetle Action Coalition**



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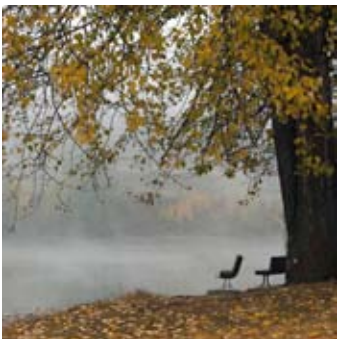
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Forward

The Omineca, Cariboo-Chilcotin and Southern Interior Beetle Action Coalitions have funded the Rural British Columbia Project (RBCP). This multi-stage initiative includes background papers, two discussion papers, as well as this final position paper which proposes a long-term strategy that will support social and economic development in rural BC. The Columbia Basin Trust has provided financial support for the position paper process, especially the consultation session where the draft document received stakeholder comments and suggestions.

Appendix 2 of this paper sets out the proposed long-term strategy in summary form.

To access further information about the RBCP and its published papers please visit the website at www.ominecacoalition.ca and select the Rural BC Project.



Introduction

This paper proposes a long-term strategy for investment in social and economic development in British Columbia's rural regions in order to improve prospects for prosperity. Such planning begins with the premise that the unique attributes of culture, heritage, human resources, as well as settlement and natural assets are as important as economic sector. When formulating development strategy, these enduring qualities of place and community require a long-term outlook if their use and conservation are to be optimized for the well-being of rural regions and all residents of the province.

The “social” elements of development refer to the health, education, cultural, and heritage values of the First Nations and non-First Nations communities that lie in rural BC (the regional districts other than Capital, Central Okanagan, Fraser Valley, and Metro Vancouver). The “economic” elements refer to the dominant resource industries, other enterprises drawing on natural resources (tourism, resort development, retirement residences/locales, etc.) as well as a growing range of services. Not the least of the appeals of rural places is the quality of life that may be accessed – including low-cost homes, sense of community, accessible natural amenities at hand, and residents prepared to do more to support the well-being of their communities.

Without doubt BC's urban and rural regions depend on each other and economic linkages stand out. Research of the Urban Futures Institute found that in the decade 1991-2001 eighty percent of manufactured goods for international export originated in non-metropolitan regions of BC. In 2008 the ratio had slipped to 76% with the composition of export goods showing less forest products content and more oil and gas. (Rural BC Project, *The Case for Using a 'Place-Based' Approach for Planning in Rural BC*, 2012). Under the *Provincial Budget and Fiscal Plan 2010/11 to 2012/13*, of the total projected revenue growth (2009/10 to 2012/13) from all sources, twenty-six and one half percent is expected to come from resources (\$1,377,000,000 of \$5,192,000,000). These revenues are needed to cover growing provincial government outlays for health, education, and other services.

The RBCP concludes that the provincial government, in collaboration with rural First Nations, local governments and institutions (stakeholders), must adopt a long-term strategy concerning rural development. Such a strategy will emphasize an investment approach more than subsidies or programs. The most effective framework for such a strategy will consider community or “place” to be as important as economic sector.

This paper presents the case for this strategy and recommends it to rural stakeholders and to the provincial government.

PART ONE – BACKGROUND

1.0 Context

1.1 BC's Rural Places are Diverse and Many are Struggling

This paper defines British Columbia's rural regions, where about 15% of the population lives, as those places that lie outside of Metro Vancouver, Central Fraser Valley, the Capital Region, and Greater Kelowna. The First Nations of British Columbia are its earliest residents. Generally their cultural heritage and recent strategies for social and economic development reflect an enduring sense of community and place. First Nations frequently base their long-term development strategies on the assets of culture and land.



Over the past 50 years, many places, especially regions dependent on forestry enterprise, have gone from experiencing the fastest growing populations (1961 - 1985) to the slowest growing (1986 - 2010) in the province (refer to Appendix 2 for greater detail). In these places average individual incomes, once among the highest, have slipped to below the provincial average. In its report *Restoring BC's Economic Heartland*, the Project 250 Expert Panel of the BC Progress Board noted that, "during the 1980s and 1990s, BC's economic development has been oriented to the Lower Mainland, Vancouver Island, and the Okanagan. Between 1981 and 1991, 360,000 net new jobs were created in BC. All but 1,000 were in these three areas."

Not all rural regions are the same. In recent years, some have been economically buoyant. Oil and gas industry activity (Peace and Northern Rockies), real estate and resort development (Kootenays and Central Vancouver Island) and mining (several regions) have created economic growth. However, much of this recent construction and industrial resource activity has brought few permanent residents and many transitional workers.

Rural regions have urban centres offering a wide range of services. Kamloops and Prince George have populations exceeding 70,000 and are service centres to vast geographic areas with a number of communities of 5000 or less, as well households dispersed among properties in the unincorporated regional district areas. In addition, there are a number of market towns with populations in the order of 10,000 to 30,000 (Williams Lake, Quesnel, Castlegar, Cranbrook, etc.) that expanded during the buoyant 1960s and 1970s. They enjoy good transportation services, connectivity, and health services. These places are poised to take part in revitalization in their regions.

1.2 BC's Current and Historical Rural Development

The rural communities of BC grew rapidly from 1961 to the mid-1970s as investment by government agencies built dams, electrical transmission lines, highways, and other infrastructure to support development of resource industries. Inter-provincial migrants as well as international immigrants moved to the regional areas to fill available jobs. The influx required the province to build schools, hospitals, cultural facilities, and other assets.

Based on its strategy, the government expected its investment to attract capital and create a surge in resource industry activity, thus lifting the social and economic prospects of rural regions and the province as a whole. Rapid development (growth in population, employment, capital investment, and manufactured goods sold) did occur. However, a number of influences gradually exposed rural regions and the industries located there to downturns in economic and social vitality. Some of these influences are summarized in the RBCP briefing paper, *Fifty Years of Rural Development Strategy in British Columbia: 1961 to 2010*. The report noted provincial government plans and actions intended to influence development or management of resources and communities in rural regions. All information was taken from or refers to *Debates of the Legislative Assembly in Hansard*.

- When the government introduced the *Power Development Act (1961)*, the Speech from the Throne declared that it would "result in perhaps the greatest new cycle of industrial growth ever witnessed in British Columbia. Its significance, not alone to the electric power industry but to stimulation of the economy as a whole, cannot be overstated." (August 31, 1961, Speech From the Throne)
- By the end of the W.A.C. Bennett era in 1972, the government had concerns about two issues: declining markets for exports; and the environmental impacts of forestry practices, and the construction boom in the rural regions.

- The *Land Commission Act* was passed in 1972 to protect arable lands from changes to non-agricultural uses.
- In 1975 government appointed a Commissioner of Northern Affairs.
- A major international recession occurred in the 1975 - 76 period requiring government to introduce budget restraint measures. The government announced austerity measures and brought in legislation to allow borrowing for current operational expenses. During the following three years restraint continued under the *Government Reorganization Act*. All regions of BC were affected.
- In 1980 the government announced its “direction for the next ten years.” Noted commitments were: “improved management and use of natural resources for present and future; attraction of alternative energy projects including feasible biomass, while protecting the environment; encouragement of increased exploration for natural gas; creation of a BC Utilities Commission (to ensure fair pricing and returns to the province); expansion of career and vocational training for job creation; and, low cost mortgages for homes through the Ministry of Lands, Parks and Housing.” The province would make a commitment to “perpetual reforestation.” And, government set up the new Ministry of Tourism.
- The next decade started with a severe international recession 1981 - 1982. Sustained growth in the provincial economy did not get underway until 1984. The economic hardship frustrated action on a number of the strategy goals announced in 1980 which were focused on rural regions.
- In 1989 the BC Trade Development Corporation was established (to take advantage of NAFTA); a Royal Commission on Education reported to government; and a Task Force on Environment and Economy was formed. In 1990 the government announced its commitment to “an outstanding process of public consultation on all major policy issues;” and established the British Columbia Roundtable on Environment and Economy; and the Forests Resources Commission. In 1990 government tabled an “Environmental Action plan called *Vision 2001*.” In 1991 the first Land Claims Framework Agreement with the Nisga’a Tribal Council was announced.
- In 1992 The Commission on Resources and Environment was established. In 1993 the *BC Treaty Commission Act* was passed and the *Environmental Assessment Act* introduced. Government confirmed that it would pursue the “Protected Areas Strategy.” As economic circumstances improved following the 1991 - 1992 slump in the economy, the government enjoyed improved circumstances to follow its agenda including the “Forest Renewal Plan” and establishing the “Forest Practices Code” (Bill 40, 1994). The Columbia Basin Trust Act was passed in 1995.
- The 2003 Throne Speech announced the “Heartlands Economic Strategy” and its plan to open up new investments in independent power production and clean, renewable alternative energy throughout BC (based on recommendations of the Energy Policy Task Force).
- The *Northern Development Initiative Trust Act 2004* was passed, followed in 2005 by legislation to establish the Southern Interior Development Initiative Trust, and the North Island-Coast Development Initiative Trust.
- In 2009 the government announced that it would adopt a “Wood First” policy regarding construction of public buildings.

This record of strategic intentions suggests that while provincial administrations have tried to “do the right thing” for rural BC, the results have moved from success (1960s -1970s) to variable (1980s) to weak (1990s - 2000s).



1.3 Acknowledging the Rural BC Challenge

To understand the recommendations in this paper one must acknowledge that there is a rural development challenge and understand the underlying systemic issues that are contributing to slower rates of economic growth and diversification in rural areas.

As described in the Context section of this paper, during the last three decades many rural regions, especially those dependent on forestry have experienced a reversal of economic and social fortunes. Regional districts that experienced the highest rates of population growth and average incomes from 1961 to 1985 saw these conditions fall to among the lowest rates of population growth and below average incomes during the next twenty-five years (see Appendix 1 for statistical details).

In contrast, BC's lower mainland region, larger communities and "urban-fringe" regions (i.e., Sea to Sky corridor) have grown rapidly. Much of the economic growth in these urban regions are the result of population in-migration and the growth of new emerging industries such as film and television production, digital media, technology development companies; health sciences and bio-technology. Much of the initial growth of these 'emerging' sectors was facilitated with strategic government funding support and policies - many of which continue to today (e.g., film tax credit, provincial venture capital funds for digital media, bio-technology, etc.) Similarly much of BC's tourism sector growth in the southwest corner of the province has been stimulated by massive senior government investments in supporting public infrastructure like international airport upgrades, cruise ship terminals, conference centres, stadiums, and commitments to major initiatives such as Expo 86 and the 2010 Olympics.

During the past two decades provincial government investments, policies, and actions have helped facilitate significant expansion of BC's urban economy. In BC's rural regions, the economy became very uneven with many regions unable to stem decline or move out of stagnation.

These historical trends suggest that to make effective changes in long-term social and economic development strategy in British Columbia, the provincial government must have a significant role. Just as the W.A.C. Bennett strategy of stimulating development of resource industries worked well in the 1961 to 1985 era, so has government investment during the post-Expo 86 period stimulated urban-based economic opportunities and produced favourable results.

1.4 Can Rural BC Economic Decline Really be Reversed?

The limited growth and decline of population in some rural regions is not merely the outcome of changes in the practices and conditions of resource industries. Nor can it be attributed to people moving because they prefer urban places. Rather, these trends reflect the lack of opportunity. Migrants and immigrants once flocked to these regions for the economic and lifestyle options that were available.

In both Europe and the United States it has been shown that with appropriate, strategic government support, rural economic decline can in fact be reversed. Regions in northern Scotland, western Europe and the mid-west and northeast of the United States have experienced very similar economic problems and challenges to those experienced in rural BC. Yet in all these cases, there are successful examples of rural economic revitalization after decades of decline. The key to all these success stories is that the rural revitalization response was bold, well-resourced, long-term, and integrated. The successful responses recognized the complex and systemic nature of the rural economic problems and delivered solutions that addressed these systemic barriers.



PART TWO – THE PATHWAY TO PROSPERITY RUNS THROUGH RURAL BC

2.0 Why Invest in Rural?

British Columbia enjoys a rich endowment of natural assets. Earlier discussion noted the dependence of the provincial budget on revenues from resources. In addition, local government tax bases in rural regions and the enterprise activity underlying many individual and corporate incomes in the province reveal how intrinsic resources are to the provincial and regional economies. In the long term BC's residents will continue to depend on income from resources. Anticipated revenues will not occur without ongoing investment - both private and public sector.

All BC residents need to recognize that innovation must be a catalyst for optimum use and conservation of settlement and natural assets in the rural regions. Together the province and rural stakeholders can identify not only more value-added manufacturing opportunities or improved techniques, but a broader strategy addressing energy generation, water resources, tourism, community development, and a host of services. A number of factors about rural BC communities argue in favour of such a strategy.

1. Vibrant, livable communities attract and are able to retain labour and businesses and can support industry in a competitive world market. If we don't make investments in rural BC, the economic "golden goose" will die.
2. Many First Nations residents and communities are located in rural BC. The First Nations population is growing. First Nation youth are less likely to leave their communities and with resolution of land claims, First Nations will increasingly have influence over the economic future of their territories, adjacent lands, and communities. Investment in First Nations community resilience makes sense because they can provide both labour and economic benefits for themselves and surrounding rural areas.
3. The global industrial model of resource extraction has had a significant impact on both communities and the environment. In BC the forest industry has changed significantly to remain competitive. Adjustments have required consolidation and increased technology with the result that fewer workers are needed for the volumes of dimension lumber produced. Mining and oil and gas exploration companies increasingly move their work forces by air from places of residence to locales of work. The services of rural communities may be overlooked by these practices.

Rural communities have a vested interest in sustainably managing the natural resources surrounding their community. Their interest in sustainability is stronger than those of corporations or other levels of government. They need to be allies in building a strong, sustainable resource economy in order to realize favourable linkages to jobs and healthy communities.

4. BC agriculture provides jobs, exports, and food security. A number of communities are defined by their ranching and agricultural heritage. The best use of land needs to consider goals such as food security, not just the highest immediate economic value of land. With their "on the ground" experience and knowledge, rural communities can help define and implement these goals.
5. Cities in BC's metropolitan areas have to make large investments in infrastructure to accommodate expanding populations and manage growth impacts. If more growth occurred in rural areas, these pressures could be reduced. Rural areas and communities are "shock absorbers" for larger urban areas. That is, they can offset a city's ecological footprint. Urban needs rural. The entire population has to recognize that investing in rural areas is in the best interest of the whole province. For example, in Japan, there is a proposal for urban people to send money to rural areas to sustain watersheds (e.g., ecological services.)¹ Climate change may make such services (e.g., water) more valuable to both urban and rural areas, and to industry.



¹ <http://inderscience.metapress.com/app/home/contribution.asp?referrer=parent&backto=issue,18,20;journal,1,31;linkingpublicationresults,1:110852,1>

6. Emerging economies, (e.g., carbon credits and small scale alternative energy production, self employment) are part of the economic shift in BC. They are all either located in, or well adapted to rural BC assets and lifestyles.
7. Rural BC is more than mines, trees, fish, and farms. Investment in value-added enterprise in forestry and energy reflects innovation and promising results. Much more can be done. Communities offer a wide range of other core economic activities including arts and culture, tourism and technology, evolving and contributing to the overall diversity and resiliency of BC, as a place to live and work, as a place to invest, and as a place to visit. Again the assets and lifestyle of rural BC regions and communities are well adapted to these activities.
8. Rural residents have social and family networks, investments and a history in their respective communities and regions. The rest of BC has benefitted significantly from their past and current efforts, industriousness, and creativity. Rural people deserve a fair chance to find ways to be able to build a new and resilient future for themselves, their families, their communities, and their regions.
9. Rural BC comprises 95 percent of the total provincial land area. The quality of management of settlement change, resource use, conservation and protection in these regions will be enhanced by having “hands on,” regionally-based expertise. This broad stewardship perspective must be reflected in a long-term development strategy.



2.1 How to Invest in Rural BC - The Social and Economic Components

Rural BC includes First Nation and Non-first Nation settlements and their surrounding rural areas and regions, including small and remote locations. A proposed long-term strategy for rural BC follows. It is based on the these principles:

- Investment in rural regions and communities is as important as investment in economic sectors in increasing prosperity and wellbeing in BC;
- Rural stakeholders, including First Nations and businesses, must be involved in consistent ways with the senior governments in the processes of planning for economic and social development investment, and for the use and conservation of natural resources and ecosystems;
- Strategies and plans must have implementation steps that recognize and work with existing provincial, regional and local agencies, and other organizations that address rural social and economic development;
- Rural institutions must collaborate regionally and across regions to participate effectively in a long-term development strategy; and
- The province must provide ongoing support through appropriate policy, legislation, regulation, and services provision.

2.2 What are the Components of a Rural Strategy for BC?

2.2.1 *Use existing regional development organizations as the key vehicles for economic and social development planning and implementation.*

Investment in regional and rural development requires a long-term consistent approach. In BC the approach, at times, has been inefficient mainly because of lack of consistency in reliance on regional organizations by both governments and communities, by continually changing mandates and funding, and by lack of patience and secure funding. This has led to frustration and results that have been generally less than expected.

BC has regional approaches such as the Pine Beetle coalitions, the regional Development Trusts, and many regional and sub-regional economic development initiatives. However, these initiatives are not well coordinated or integrated. For example, the Pine Beetle coalitions have done excellent work on planning, but have very limited money for implementation or the means to connect those plans to local and regional investment initiatives. The Development Trusts have money for investment, but have not generally based those investments on longer term

plans or strategies. A regional approach that integrates these and other initiatives is necessary. The best method of achieving that outcome will have to be identified by rural communities and those organizations and initiatives.

2.2.2 Pursue collaboration with and the involvement of rural First Nations and Non-first Nations communities, organizations and their leaders in decision-making for rural revitalization.

Goals, priorities and actions need to be adopted within the regions and communities experiencing development challenges and that have the most interest and responsibility in addressing them. This approach is necessary to achieve sustainable rural development and to address the need for critical mass.

Too often, past program approaches have led to competition among communities rather than collaboration. These “proposal” based funding programs tend to favour larger communities with capacity to develop strong proposals and provide follow-up reporting. Smaller communities are often unable to compete. A regional development approach would be based on regional planning and priority setting, and all communities could be involved. Working with First Nations in these processes and plans would be critical to achieving successful outcomes. In addition, region-wide priorities and investments that serve all communities could be addressed. Collaboration can result in a holistic approach to rural revitalization that includes the integration of social, environmental and economic objectives and strategies.

2.2.3 Senior governments must commit to provide stable and long-term investment in rural regions.

Key to the success of the proposed rural development strategy is long term investment. Senior government has introduced a “new rural development initiative” with almost every budget. Communities end up always trying to understand the new direction, and react to new program priorities, rather than focussing on the best long term investment for their future. Lack of consistent funding means lack of ability to engage in a long term development plan.

There are various investment models ranging from annualized funding contribution, to independently funded models such as the Columbia Basin Trust that generate revenue from hydroelectric power sales and other investments. As a model, Quebec engages in seven-year funding commitments attached to an agreed-upon development plan.

Different models may have to be developed for different regions of BC depending on the organizations and opportunities available, and the specific challenges faced by the region. Investment commitment could include mechanisms that allow rural regions to capture and reinvest some portion of benefits of regional economic activity so that ultimately the regions can be “self-funding” in rural economic development activities. The “Fair Share” agreement approach currently used in the northeast region is an example of such an investment strategy. This would be a significant change to the current system, and given current fiscal realities, may have to start on an annualized basis.

2.2.4 The provincial government should designate a senior cabinet minister with responsibility for rural issues.

Given the importance of rural issues to a large geographic area of the province, the Province needs to continue supporting rural regions and communities through appropriate policies and programs shaped by a ‘rural lens.’ The Rural BC Project believes it is critical that a senior cabinet minister be designated as having specific responsibility for rural issues. The minister should be put in charge of policy development on those issues which have their major impacts primarily on rural areas of the province (resource roads, water use policies, etc.) and should also be responsible for ensuring that other legislation, policies and programs do not adversely affect rural BC. This is the ‘rural lens’ approach.



2.2.5 Rural institutions (stakeholders) ought to be involved in planning for the management and stewardship of public lands and resources.

This engagement should be enabled through a regular consultation process which involves government, First Nations and Non-first Nations stakeholders. A key element of this facility should be equitable access to public lands and resources for community development initiatives.

2.2.6 A long-term strategy will require the resources of post-secondary institutions including regional colleges.

These institutions should be actively involved in rural development and revitalization initiatives in order to link human resource development and economic development strategies. Communities ought to be able to draw on their advice and extension services. These institutions can also identify and deliver critical research.

2.2.7 Venture capital and business development supports need to be connected to regional planning.

Under long-term strategies, communities and regions should include business development and venture capital objectives with community planning goals for social needs and land use/conservation. This will help rationalize regulatory provisions with community development objectives.

2.3 A Meaningful Rural Economic Development Approach for BC - Next Steps

1. The Province needs to acknowledge that there are challenges for BC's rural regions, and make those a government priority to address;
2. The Province and key rural organizations and their leaders must agree in principle on a place-based approach as outlined, and how it will be delivered. To be most effective, this program should be built with significant input from rural residents and must be flexible enough to respond to the different needs of BC's various rural regions and communities;
3. Rural communities and regions need to develop regional alliances or partnerships to develop, implement and monitor regional economic strategies;
4. The Province and key rural organizations and their leaders need to agree on long-term funding mechanisms for regional economic development organizations in BC based on the successful models of Quebec, the United States, and Europe; and
5. Create a BC equivalent to the highly successful U.S. Community Development Venture Capital program that would allow rural BC businesses to access equity investment and specialized business expansion expertise.

3.0 Conclusion

In the face of economic and social transition issues facing many rural regions and communities, since 2000 there have been a number of calls for more relevant approaches to rural social and economic development. Among the initiatives making recommendations—especially about forest-dependent regions and communities—are the BC Progress Board (2002), The Task Force on Community Opportunities (2007), Cariboo Chilcotin Beetle Action Coalition (2007), Omineca Beetle Action Coalition (2008), First Nations Forestry Council (2008), Southern Interior Beetle Action Coalition (2009), Reversing the Tide conference and follow-up (2009), the Northern Development Initiatives Trust, Initiatives Prince George (2010), and the Rural British Columbia Project (2011 and 2012). These stakeholders reflect a high degree of consensus about the importance of having a clear rural strategy and the kind of measures it should incorporate. Therefore, the Rural BC Project recommends the long-term strategy set out in statement, Appendix 1.



Appendix 1 Summary Long-term Strategy For Rural Social And Economic Development In British Columbia

A1.1 Definitions

Long-term means an outlook of ten years and more.

Strategy refers to the principles and elements of planning for a complex task. A strategy should identify a challenge; establish why it should be addressed; and what can be done to address it. This is the goal. A strategy should propose a solution (method) in the form of a plan that includes a time line and implementation steps. The strategy should be guided by principles that are clearly articulated.

Rural means the regions and communities lying in regional districts other than Metro Vancouver, Fraser Valley, Capital and Central Okanagan. Regions are vast landscapes, which contain human settlements and ecological communities, lying of one or more regional district areas. Communities are large or small settlements whose residents have a common identity profile. The strategy may refer to places meaning regions and or communities.

Social elements refer to the health, education, cultural, and heritage values of the First Nations and non-first nations communities that lie in rural BC.

Economic elements refer to the dominant resource industries, other enterprises drawing on natural resources (tourism, resort development, retirement residences/locales, etc.) as well as a growing range of services.

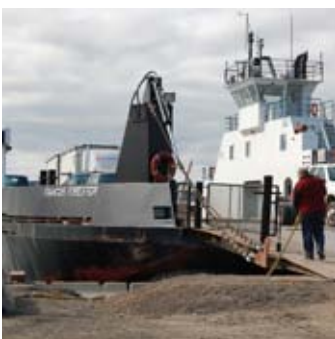
Development refers to decisions and actions to identify and use settlement (human) and natural resources to positively influence the well-being of human communities. Development also impacts ecological communities; their well-being is part of successful practices by humans. Measurements for positive outcomes in a region include amounts of financial investment, jobs created, households attracted, homes constructed, education and training provided, etc. Successful development results in prosperity or a desirable standard of living.

A1.2 The Rural Challenge in British Columbia

For a decade or more, 12 of BC's 22 rural regional districts have experienced rates of population growth and job creation below the provincial average. Several have experienced negative or stagnant measures. Notwithstanding these poor outcomes, many of these areas have, or have had, significant resource industry activity. Unfortunately, modern competitive practices in resource industry operations may not yield much economic benefit to the locales where operations occur. The challenge is to bring these places into positive outcomes as a result of investment, innovation, and other measures.

A1.3 Why Should Senior Government Invest in Rural British Columbia?

The provincial budget relies considerably on revenues from resources to pay for the benefits that all provincial residents enjoy. Regulation and management of the use and conservation of resources is now a complex challenge. One size does not fit all. Nor is it the responsibility of the industrial resource sector, which grew rapidly in the 1960s and 1970s, to do more than meet regulatory requirements and professional standards. It is the responsibility of senior government (and regional communities) to set direction for innovation and requisite investment that makes efficient use and conservation of the province's resource legacy. A high standard of government stewardship should also recognize the importance of re-leveraging the infrastructure investment that has been made in BC's regions and communities.



A1.4 The Rural Solution - A Long-Term Strategy for Investment in Development

Rural stakeholders, provincial, and federal governments should embark immediately on refinement of the long-term strategy proposed here. This strategy does not intend to replace the long-standing resource industry model. Rather, it intends a complementary strategy based on the assets of community - both settlement and natural resources. The stakeholders should devise a detailed implementation plan that includes the following principles:



- A long-term perspective;
- Emphasis on investment rather than program funding. The latter approach inevitably creates competition for scarce financial resources;
- Collaboration with rural stakeholders in the processes of planning for and managing the use and conservation of settlement and natural resources;
- Provision by senior government of a long-term revenue stream that rural stakeholders can access for investment in long-term development.
- Commitment by rural stakeholders to work within and across regions to manage and employ investment funds aligned with rural development strategy; and
- Recognition that place-based assets can provide a wide range of economic innovation beyond resource industry manufacturing - thus increasing self-determination and local/regional responsibility.

Steps for a Long-term Rural Development Strategy

1. The Beetle Action coalitions, Regional Trusts, and the First Nations Forestry Council should lead a group of rural stakeholders (a Leadership Group) to work with government to produce a long-term strategy work plan based on the principles set out above.
2. This stakeholder group should be funded by the rural stakeholders and senior government.
3. It should be a priority to ensure that the long-term strategy will utilize through mutual agreement, the resources of the regional trusts, Beetle Action coalitions, First Nations institutions, Community Futures, post-secondary institutions, etc., to produce the detailed work plan and to deliver services in the future.
4. The strategy to establish an on-going revenue stream, perhaps through some kind of revenue sharing should be a priority.
5. The strategy should devise a plan to establish a venture enterprise, one that includes ownership by stakeholder organizations and that can attract external investors.
6. The province should designate a cabinet minister with responsibilities for rural issues. The minister will have authority to ensure that a 'rural lens' is used in all ministries where planning for rural regions may be impacted.
7. Until such a ministerial authority exists, the development of the proposed long-term strategy should be supported through the Premier's office.
8. The Leadership Group should widely present the proposed strategy to rural stakeholders to get their understanding and endorsement.

A1.5 A Long-Term Development Strategy Made in Rural BC

This proposal acknowledges that a number of senior government investments in BC during the last three decades have advanced the knowledge of communities about development. This increased capacity makes possible the recommendations of this paper. As proposed, the long-term strategy would be a "made-in-rural-BC" solution.

Appendix 2 Population Change By Region

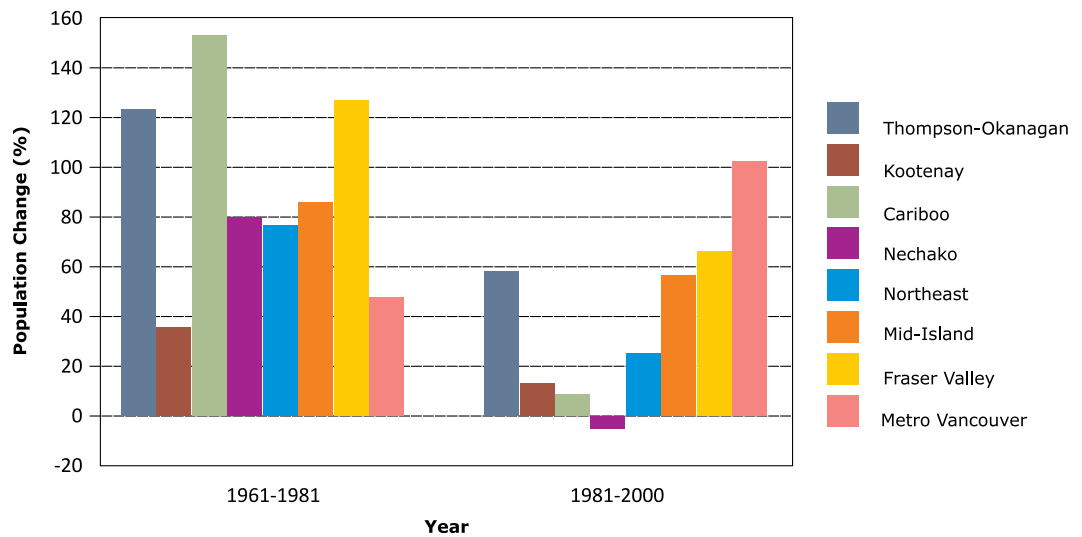


Figure 1 Population Change by Region

The rural regions described in Figure 1 are made up of Regional Districts as follows. **Thompson Okanagan** includes Central Okanagan, Columbia-Shuswap, North Okanagan, Okanagan-Similkameen and Thompson-Nicola Regional Districts. **Kootenay** includes the Regional Districts of Kootenay-Boundary, East and Central Kootenay. **Cariboo** includes the Cariboo and Fraser-Fort George Regional Districts. **Nechako** includes Bulkley-Nechako, Kitimat-Stikine and Skeena-Queen Charlotte Regional Districts. **Northeast** includes the Peace River and Northern Rockies Regional Districts. **Mid-Island** includes the Regional Districts of Alberni-Clayoquot, Comox Valley, Cowichan Valley, Nanaimo and Powell River. **Fraser Valley** is the Fraser Valley Regional District. **Metro Vancouver** is the Metro-Vancouver Region. Data was sourced from BC Stats.

Figure 1 depicts significant fluctuations of regional population over 5 decades. The Cariboo added 90,000 residents during the 1960s and 1970s (7.6% average annual growth) in the heyday of expansion in the forest industries. During the past 30 years only about 14,000 persons (0.3% average annual growth) have been added to the region's population. The Nechako region reflects a similar pattern, having added 46,000 residents in the 1960s and 1970s (4% per year), but suffering a net loss of 5000 (-0.16% annually) in the past three decades. Rural regions with more diversified economies and those benefitting from recent oil/gas industry activities, experienced less drastic slowing of population growth. Only the population of Metro Vancouver grew at a faster rate (3.43% annually) in the last 30 years than it did in the 20-year period (2.4% annually) from 1961 to 1981.



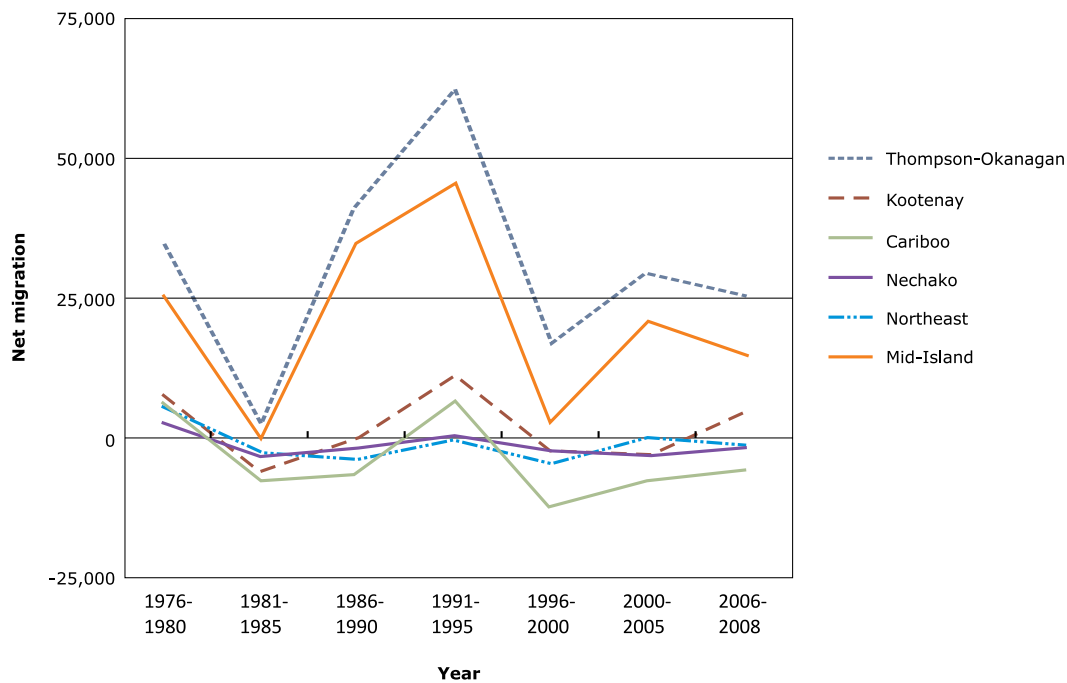


Figure 2 Net Migration for Five Year Intervals: 1976 to 2008

The regions in Figure 2 are the same as in Figure 1 but does not include Fraser Valley and Metro Vancouver. Data was sourced from BC Stats.

Figure 2 illustrates the considerable fluctuation in net migration among rural regions since 1976. Intra-provincial migration has been much more significant than inter-provincial movement of people over the years. One of the most influential factors leading to migration is opportunity for employment.

“There is consensus in the literature that regional labour market disparities are among the key factors in people’s decisions regarding where they move, live and work.”²

The trend lines of Figure 2 suggest that some rural regions have offered only modest growth in jobs and employment opportunities. Data was not available to chart the 1961 to 1975 period for these regions. However, net migration was very high in that fifteen-year interval (Figure 1).



2 Xuyang Chen and Maxime Fouère. 2009. Inter-provincial migration and regional labour market conditions in Canada: Human Resources and Skills Development Canada. Ottawa, ON. www.omineracoalition.ca/Strategies/RuralBCProject/pdf/FiftyYearsShort.pdf