



The Federal Role in Rural Sustainability

What are the problems facing rural Canada and what role should the Government of Canada play in addressing them? These are the key questions addressed by a report commissioned by the Federation of Canadian Municipalities (FCM) entitled *Wake-Up Call: The National Vision and Voice We Need for Rural Canada*. With contributions by Dr. Donald J. Savoie of the Université de Moncton and Dr. Bill Reimer of Concordia University, the report takes the pulse of rural Canada and of the federal government's role in supporting rural sustainability. It asks and answers a number of questions: What is rural Canada? Why role does rural Canada play in the national economy? What role should the federal government play in rural development? What changes, if any, are required in the machinery of the federal government to support this role?

The natural resources, energy, agricultural products and raw materials extracted from rural areas account for 50 per cent of Canada's exports, but rural communities aren't growing along with the national economy they do so much to support. The 2006 Census showed that rural Canada's share of the national population fell below 20 per cent for the first time in the nation's history, and rural communities are attracting less than 5 per cent of new immigrants.

This "shrinking" is a symptom of deeper problems in rural Canada: average household incomes \$10,000 lower than those in urban centres, shorter-than-average life spans and a level of chronic poverty that is higher than that in the country as a whole. Meanwhile, with shrinking tax bases, limited revenue sources and rapidly aging infrastructure, rural municipalities are struggling to provide the basic services and community facilities their communities need to attract and retain residents and businesses.

The recent global economic collapse has exacerbated long-term trends, highlighted in 1996 by the Canadian Rural Restructuring Foundation, which said, "Rural Canada has dying villages and towns, is losing population, and has substandard social services including a chronic shortage of doctors."

The report considers the arguments for and against a federal role in supporting rural development, acknowledging that some in urban Canada believe rural Canada is a drag on the national

economy and on urban areas, and that market forces and outmigration should be allowed to solve the problem. The report argues that this assumption overlooks important social issues and potential harm to the national economy, and that rural communities remain critical to the economic, social and environmental fabric of Canada.

The report notes that a strong national economy needs all regions functioning well to operate efficiently. And although rural Canada will not disappear, as long as natural resources remain important to our national economy, chronically weak and underperforming rural communities are not good for those who live in them, for the industries they support, or for the urban regions that rely on them for timber, food, minerals and energy.

What, then, should the federal role in rural development be? Although declining to give a definitive prescription, the report looks at possible changes to the federal machinery of government to strengthen its role in dealing with rural issues. An important objective is to ensure the capacity of the federal government to look at issues and public policy through rural "lenses" and to generate a horizontal perspective within the machinery of government on the challenges and program requirements of rural Canada, which is the goal of the federal Rural Secretariat.

The report also looks at the need to promote economic development and diversification in these communities to make them less dependent on single industries and natural resources, and to lessen the strains of a boom-and-bust local economy. The federal government must develop a long-term vision for its role in rural communities and provide sustained funding commitments. The provision of adequate public infrastructure is also critical for rural, remote and northern economies, which must overcome or compensate for limited accessibility and economies of scale to compete effectively. An effective response to these challenges must integrate the rural development policies and programs of all orders of government. Efforts must be made to avoid a one-size-fits-all solution by recognizing the unique challenges and opportunities that exist in rural, remote and northern communities.

continued on the back





The report sets out the following principles to guide Parliament in identifying and assessing specific prescriptions to equip rural Canada to meet its economic, social and environmental challenges.

1. **Rural Canada needs a champion at the federal cabinet table to drive and sustain change**, and to integrate and co-ordinate the actions of various federal departments.
2. **Rural communities need enduring commitments**—a long-term plan—from the Government of Canada to ensure that rural priorities receive the sustained resources and attention required to tackle problems with deep roots and to implement strategies with long time horizons.
3. **A one-size-fits-all approach to rural policy-making will not work**; solutions must be tailored for and responsive to the diversity of rural Canada.
4. **The Government of Canada must ensure** it provides the appropriate departmental structures, mandates and resources to support an enduring, horizontal, collaborative and well-resourced commitment to building and sustaining rural Canada, now and in the future.
5. **The vision and strategy for rural sustainability** must be developed across departmental silos and in partnership with all three orders of government, industry and community groups.

For further information, please contact:

Susan Irwin, Policy Advisor

Telephone: 613-907-6391

Email: sirwin@fcm.ca

