



Back to the (Rural) Future Evolution of Rural Development Policy in Canada

Dr. Bruno JEAN, President
Canadian Rural Revitalization Foundation
Presentation to IRR21,
Tsukuba University (Japan)
December 9, 1999



The Political Economy of Canadian Rural development

According Brett Fairbairn's work, the changes affecting rural society were the result of forces governing rural relations with the urban areas and the economy as a whole.

Three large themes of postwar Canadian history stand out as especially significant for rural development policy :

- Urbanization :
the most powerful social trend since WWII
- Structural changes in the economy
- Rise and fall of the Keynesian/Welfare state



A Taxonomy of Rural Development

Rural development is understood to include government functions and activities which have the intention or effect of increasing the levels of wealth or standards of living in rural areas (broad definition). Policies and Programs for Rural development may be tracked in these various **sectors** of state intervention.

- **Land, Water, and Environment**
- **Agricultural Market Stabilization**
- **Transportation and National Markets**
- **Income Support and Wealth Transfer**
- **Services and Utilities**
- **Increased Productivity**
- **Regional Development**
- **Economic Development**
- **Adjustment and Transition**
- **Rural Business Development**
- **Community Dev. and Community**



Determinants of rural policy

To sum up, a number of historical forces conditioned the formulation of rural development policy in Canada from 1945 through to at least 1980. These include :

- the relative decline of the old, extensive resources industries ; the rise of the new capital-intensive, large foreign-owned resource industries ;
- the expansion of a (mostly urban) public sector
- urbanization and the growing influence of urban-based thinking and policies
- the declining influence of rural Canada, and tremendous internal changes and disruptions within rural communities
- despite (or because it) this, ongoing public sympathy and support for rural issues
- the conflation of agricultural, or other resource and sectoral issues, with rural issues



Determinants of rural policy (continued)

- the perception of rural backwardness
 - the Keynesian ideology of growth
 - the preoccupation with industrial models
 - the separation of economic and social policy
 - the conceptualization of development as either private-sector in nature or as a matter of transfers, compensation, and welfare
- Plus :
- the growing influence of professionally trained expert planners



The Failure of Modernism : Rural Development Policies and Programmes, 1945 - 1995

- Before 1955 :
Macroeconomic Keynesianism
- 1955-1965 period :
Populism and Regionalism
- 1965-1985 period :
Rise and Fall of Technocratic Planning
- 1985-1995 : Rise and Fall of Megaprojects



What we have learned about about rural development strategies ?

The answers :

**success requires continuous human capacity building
(like the CRRF New Rural Economy Initiative)**

- Plan development at the community level rather than a top-down approach
- More attention to diversification
- Less attention to primary production and mega-projects.
- Better integration of programs
- Inter-community cooperation is essential
- Social sciences are underrated as a basis for rural development planning



Rural Development : many open questions

If the goal of development is to **build capacity**, then why should programs not focus on capacity-building itself, rather than on the other material outcomes quantified by planners ?

- best allocations of public resources, under what departmental jurisdiction
- opportunities to re-conceptualize the role of the state in relation to rural areas
- political willingness to undertake community-based rural development



The *Community Futures Program*: A success story in Canadian rural development policy

- The Community Futures Program (CFP), created in 1986 and transferred to the regional development agencies in 1995, is a national program that targets communities outside Canada's major urban centres.
- The CFP has laid the foundations for local economic development in Canada, with one of its components being intended to ensure that communities take charge of their own economic futures and decide on their own approach to attaining their goals.



The Community Futures Program : basics principles

The following principles support and guide the activities of local economic development organizations:

- Ensuring development *of* the community, *by* the community and *for* the community
- Taking local self-reliance into account and enhancing local abilities
- Promoting multi-sectoral partnerships
- Favouring a long-term strategic process
- Bringing together the public and private sectors and NPOs
- Supporting local entrepreneurs and SMEs.



The Community Futures Program : the way it works

In concrete terms, the CFP provides financial support for local non-profit organizations working primarily to encourage and support local management of an effective economic development process.

- In accordance with the Program's objectives, these organizations are managed by boards of directors made up of volunteers representing a range of local interests and designated by members of the communities or neighbourhoods concerned.
- They are staffed by skilled personnel, experienced in dealing with all types of partnership, which enables them to successfully complete the projects included in their strategic development plans.



CFDC Programs : (first) Services for entrepreneurs

The CFDC provide small local enterprises and entrepreneurs (in particular, the home-based business: 'travailleurs autonomes' in French)

- technical advice and support services
- capital through their investment fund :
- loans (no more than \$125,000),
- loan guarantees and equity investment for the startup, or growth of enterprises.

- **The advisory services :**
- business plan development;
- financial management; like cost control and planning;
- improvement of quality and service standards, and so on ;
- creation of strategic alliances and partnerships; and best uses of NICT



CFDC Programs : (second) Strategic planning

The strategic plan normally includes the following elements:

- statement of the organization's mission, objectives and values;
- needs assessment;
- the community's priority objectives;
- action strategies;
- production schedules;
- breakdown of tasks; and
- performance indicators (performance measures).

The strategic pooling of the resources of the CFDCs, helps to build consensus, facilitate access to federal government services and respond to the needs of local entrepreneurs.



CFDC Programs (third) Youth Strategy

This program was implemented to revitalize the social fabric of rural communities and encourage young people to invest in these communities by creating their own jobs.

- **General objectives** : to reduce the unemployment endemic among youth and to halt the migration of young people to large urban centres
- **Specific objectives** :
 - to encourage the creation of enterprises by young people,
 - to enhance their employability
 - to encourage their social and economic involvement in their communities.
- **Three components**: Investment fund , hire a youth advisor and creation of summer jobs



Back to the (Rural) Future Some concluding remarks.....

Canada put in place a successful agricultural policy, but it had the rhetoric and never the reality of an effective rural development policy.

- According to DOUGLAS, the history of the period can be seen as “the saga of the federal government’s entry and its substantial retreat from regional development in Canada”
- The regional policy was supposed to solve rural problems ; but modernization theories and planning processes do not take into account the rurality; it was a federal provincial system of resource development and transfers: “at times compensatory, at times developmental, rarely engaged communities”
- The effect of the federal resources going to poorer rural regions under regional development programs : they are no more developed or self-reliant but more dependent on transfer payment.



Back to the (Rural) Future Some concluding remarks....

- The state is slowly shifting the top-down approach to the bottom-up, from reducing regional disparities by incentives to the “rural depressed regions” to improvement of local economies by various actions under the “local development” approach.
- According Apedaile, “dominance is an overriding feature of partnership between rural institutions and government” but “partnership implies a degree of equality in a participatory arrangement”. So the question is: Can partnership be the basis for participatory development ?

Back to the (Rural) Future

Some concluding remarks.

- *Back the Future* : what is the meaning of the recent willingness of federal and provincial governments to put in place a “whole rural policy” and instruments like the Rural Secretariat and a Secretary of the State on Rural Development ?
- What is the meaning of the “rural lens” a new rhetoric of commitment or a real engagement to generate, with rural people and communities, a sustainable rural development of various rural regions?

