



Policy environment in rural Western Canada

Notes from the Co-operative Innovation Project — September 2015

The policy environment (the rules and regulations rural communities live within) is much more complex now than it has ever been. The move toward a community-based system of service has potential, but governments need to shift their focus from community-based to community-led solutions.

The policy environment is changing in rural western Canada. Governments are moving away from being a primary provider of services to a system where communities are expected to provide for themselves, with monetary support. While there is much promise in this move, its execution is difficult.

The Co-operative Innovation Project

From 2014-2015, the Centre for the Study of Co-operatives at the University of Saskatchewan led the Co-operative Innovation Project, looking into the possibilities of co-operative development in rural and Aboriginal communities in western Canada.

Through on-line and telephone surveys and open events in rural and Aboriginal communities in Manitoba, Saskatchewan, Alberta and British Columbia, the Co-operative Innovation Project asked: what are the needs in your community? And, what do you know about co-ops?

The Co-operative Innovation Project found that communities have different needs, depending on a host of local characteristics including geography, local economics, size, distance from a large centre, local culture, and demographics. While there were broad trends, local variations, and local ability to solve those needs, were distinct.

As for co-op knowledge, most could recognize the more common co-ops (retail grocery stores, gas bars, or credit unions) but few could think of innovative ways to use the co-operative business model. But in the new policy environment, co-operative business enterprises, built to serve local community member needs, could be a great fit.

How we got here

Rural western Canada enjoyed a post-war building boom linked to prosperity. Road and highway improvements,

electrification, sewer and water services, and recreation facilities brought increased quality of life to communities. Governments at all levels fuelled this growth through financing or constructing infrastructure.

Over time, rural depopulation, growing urbanization, and shifting rural economies brought change. Rural 'hub' communities grew; others declined and became ghost towns. Ironically, good highways and good cars meant people would travel farther for shopping, health care, supplies and entertainment. This trend has continued. Rural residents *expect* to travel – at least for some things.

Aboriginal communities, embedded in rural regions, have additional challenges. Reserves rarely have robust local economies, and people tend to be poorer on average. They also have younger, and growing, populations. Although tied to nearby rural communities through shopping or accessing services, jurisdictional differences usually mean that Aboriginal development, infrastructure building, and service delivery must navigate a different policy environment.

Government complexity

As Canada grew, so did its government and bureaucracy. Efficiency became the buzzword, which resulted in regional amalgamations. School and health districts became larger, for example, and rural schools and hospitals were closed. Governments contracted out services, fuelling the growth of many non-governmental organizations and businesses, increasing the number of agencies and departments that must be involved when searching for local solutions.

Recognizing this complexity, governments create new policies and programs that promote uniform community-based development. But, these kinds of wide-scale programs are neither responsive nor flexible.

Community concerns

Communities in rural western Canada struggle with this complex environment. Anxious to improve infrastructure and services, communities worried about an increased tax burden. Strict guidelines for new projects created significant difficulties as communities tried to fit local needs to available funding requirements, instead of the other way around. Many simply don't know where to begin and fear navigating the complex system in case they end up losing the supports they have.

In communities with a limited local economy, the new policy environment is risky. Delivering goods and services in small rural areas may not attract businesses or investors – the potential profit margin is too small. What is needed is an organizational model built to provide the service, rather than (as in a typical business model) to make money. A cooperative business model is a great solution.

Jurisdictional boundaries do not always align with how people live. Different communities, such as rural versus Aboriginal or a rural municipality versus a village, access different development funds and supports. There are also mismatched sector boundaries: a health district, for example, may not have the same boundaries as the school division or the rural municipality. In community meetings across western Canada, participants said that jurisdictional mismatch was often a barrier to community development.

Leadership

Municipal administrators and economic development officers should help navigate these complex jurisdictional and policy systems. But high position turnover, lack of deep community knowledge, or local myopia can be a problem.

In today's complex policy environment, leaders must be adept at navigating the many layers, levels, and possibilities, as well as have a strong will to push boundaries and experiment with creative solutions. Leaders need to consider *both* how to develop community autonomy as well as provide needed goods and services through economies of scale and connecting multiple communities. In short, leaders – from both communities and from government – need to think about community development in a different way.

Pushing the boundaries: place and policy

Cities with dense populations can achieve economies of scale to address local needs. Rural and Aboriginal com-

munities, spread out and with fewer people, can't spread costs the same way. In most cases, rural residents sacrifice having the same breadth of services as an urban area. A secondary challenge in rural western Canada is a continued bleeding of skilled citizens to urban centres.

One solution is a place-based approach. Several small communities, tied through place, work together to address needs. Crossing jurisdiction boundaries – and working up through provincial and federal jurisdiction and policy levels – becomes an act of co-operation, trust, and mutual benefit. Western Canadian examples include regional-based fire or ambulance services, water treatment or energy services. Others include regional marketing or tourism planning, and integrated watershed management planning.

Moving toward a place-based policy environment, where local solutions are encouraged and supported, supports both a government policy shift toward community-based solutions, and respects rural western Canada's call for *community-led* solutions.

Going forward: why co-ops?

What is needed in rural areas is an organizational structure that allows communities to retain their autonomy while at the same time working together to supply the goods and services that they require in their own area. Co-operatives offer autonomy – each community can remain independent – while at the same time providing for the scale needed to lower costs and improve service. And co-operatives – by paying attention to their members' needs – are able to tailor the goods and services to the specific realities of their members. Using the co-operative business model, multiple communities can create regional-based solutions.

In aiming to support community-based service solutions, the role of government is not leadership through wide-cast uniform development mechanisms, but a commitment to place-based co-operative models that are community-led, flexible, and responsive to community need.



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