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Saskatchewan

Heather Hall and Rose Olfert

Introduction

Over the last decade, Saskatchewan has seen a significant economic and demographic departure from its decades of decline¹. Driven by a commodity price boom, the provincial population grew to just over a million in 2011, an increase of about 5.5% from 2001². This recent growth has been largely concentrated in and near urban areas like Saskatoon and Regina, while rural Saskatchewan reveals a more nuanced reality of growth and decline. This chapter is divided into five key sections: an overview of rural local governments; a description of rural demographics; the rural economy; rural programs and support; a summary of the major rural Saskatchewan issues; and a short discussion of policy implications.



Rural Local Governments in Saskatchewan

There are 781 incorporated municipalities in Saskatchewan. This includes 461 urban municipalities (16 cities, 146 towns, 259 villages and 40 resort villages), 296 rural municipalities, and 24 incorporated municipalities in Northern Saskatchewan (2 northern towns, 11 northern villages, and 11 northern hamlets)³. While the majority of the population resides in “urban” municipalities (82%)⁴, about 150 of the villages and towns have fewer than 100 residents⁵. Rural municipalities were the only municipality type that experienced population decline between 2006 and 2011⁶.

Saskatchewan has the largest number of municipal governments per capita among the provinces. With 781 governments for a population of just over 1 million, there is a municipal government for every 1,323 people. Ontario with a provincial population of almost 13 times that of Saskatchewan has 444 municipal governments, or one for every 28,800 people.

Rural Demographics

While the provincial population has hovered near one million since 1931, the rural population* as a percentage of the total has declined steadily from 84% in the 1901 Census[†]. The rural population has also declined consistently in absolute terms since 1931, except for 2006-2011². Historically, the population switched from being majority rural to majority urban between 1966 and 1971. The remaining high percentage of rural at 33% is exceeded by only the four Atlantic Provinces.

The age distribution of the rural population reflects age-selective out-migration. The 20-44 age group accounts for only 27% of the rural population in 2011, compared with 36% in urban areas⁵. The rural population is also older, with 16% in the 65+

* The rural population for 1981 to 2011 refers to persons living outside centres with a population of 1,000 AND outside areas with 400 persons per square kilometre. Previous to 1981, the definitions differed slightly but consistently referred to populations outside centres of 1,000 population (Statistics Canada 2011).

† While Saskatchewan was not a province until 1905, Statistics Canada provides 1901 population for the equivalent area for 1901 (Statistics Canada 2011).

age group compared with 13% in urban areas. The vast majority (94%) of the small immigrant population in the province (6%) resides in urban areas⁵. As provincial and national economic activity concentrates in and near urban areas, the population redistribution is likely to continue, with implications for the types of government services and economic activity that can be supported in rural areas (e.g., more seniors' centres and fewer schools).

The Aboriginal population of Saskatchewan (roughly 160,000) represents 16% of the provincial population⁷. Elliott⁷ reports that the average annual population growth rate, 2006-11, was 2.1%, compared with 0.9% for the non-Aboriginal population. Aboriginal people are also younger (34% compared with 17% under age 15), have less education (67% versus 87% completed high school), have lower employment rates (58% versus 84%) and have lower average annual income (\$23,606 versus \$41,230). Elliott⁷ distinguishes: On-Reserve (approximately 35% of the Aboriginal population); Off-reserve in rural and small urban areas (<10,000) (8%); and large (>10,000) urban (57%). Without exception the socioeconomic status of On-Reserve First Nation population is lower than that of the Off-Reserve population⁷. While there is already ongoing rural-to-urban and On- to Off-Reserve population redistribution, better access to Off-Reserve/urban opportunities would improve socio-economic outcomes of the Aboriginal population, especially given their rapid growth⁸.

Rural Economy

Saskatchewan has always been, and remains, heavily dependent on exports—in 2010 it had the highest per capita exports in Canada⁹. Historically an agriculture-based province, the economy has transitioned to a broader dependence on natural resources, including potash, oil, gas, and uranium^{10,9}. In both rural and urban areas the services sector is gaining prominence as is evident from GDP and employment data. While separate rural and urban data are not readily available, a somewhat dated translation of the industry structure into rural and urban for 2006 by the Canada West Foundation provides some indication of the rural share of GDP and employment (<http://cwf.ca/pdf-docs/publications/rural-all.pdf>).

Well established patterns of urbanization in the province are the result of centralization of both

private and public sector economic activity, leaving many rural communities with populations that fall below the threshold levels required to support these activities¹¹. Increasingly, access to urban areas, with their services and employment opportunities, is the most important determinant of the economic success of rural communities¹². As a result, development options for remote rural communities will rely on taking advantage of local niche market activities in a variety of sectors including services and natural resource activity.

Rural Programs & Support

Few provincial government rural-specific programs remain in Saskatchewan. The Ministry of Agriculture serves that industry, and there is a Minister responsible for Rural and Remote Health. Within the Ministry of Highways there is a Rural Highways Strategy in the Ministry of Highways¹³ while SaskTel has an explicit strategy for improving internet access in rural areas¹⁴.

The absence of a dedicated rural development Ministry or program stands in contrast to the 1980s and 1990s when there was a Department of Rural Development, and also Rural Development Corporations^{15,16}. From 1992-2009, 28 Regional Economic Development Authorities (REDAs) promoted a grassroots or community driven approach to economic development¹⁷. Funding for the subsequent 16 enterprise regions was ended in 2012¹⁸. For the north, the previous Department of Northern Affairs has been replaced by Northern Engagement within the Ministry of Government Relations, and there is a unit called First Nation, Métis and Northern Economics Development within the Ministry of the Economy. These changes reflect a shift in political and economic circumstances over the last decade. However, the demise of these programs removed the regional focus to economic development and financial support that is needed given the socio-economic challenges and other issues facing rural and northern communities¹⁹.

Federally, 13 Community Futures organizations offer support for rural community economic and business development²⁰. Western Economic Diversification (federal) provides assistance for innovation, business development and community economic development. There are also a number of federal infrastructure programs accessible by rural areas, including the Municipal Rural Infrastructure Fund and the Small Communities Fund in the Provincial-Territorial

Infrastructure Component (PTIC)²¹. However, the program criteria for small communities includes municipalities with fewer than 100,000 people, which may mean rural and northern communities are competing against urban centres for funding.

Rural municipalities are represented by the Saskatchewan Association of Rural Municipalities (SARM), which describes itself as “The Voice of Rural Saskatchewan” and assists municipalities with:

- Interpreting provincial and federal legislation;
- Reviewing legislation that affects rural municipalities;
- Lobbying government to bring about changes to legislation; and
- Communicating important political developments to members.

In Northern Saskatchewan, New North is a municipal organization dedicated to improving the lives of people through advocacy and capacity building. New North has worked extensively to address housing issues through forums and other initiatives^{22,23}. The Northern Municipal Trust Account disburses revenue from property that becomes vested to the Minister²⁴. In addition, a Northern Labour Market Committee focuses on labour market and economic development issues in the region²⁵.

All municipalities in Saskatchewan have access to the provincial municipal revenue sharing program (1% point of the 5% provincial sales tax) to support the delivery of community services. In 2014-2015 rural municipalities will receive \$72.61 million and northern communities \$19.16 million²⁶. Northern municipalities can also apply to the provincial northern capital grants program and the northern water and sewer program²⁷.

Rural Issues

Key issues facing rural areas include infrastructure maintenance and upgrade (including access to drinking water), access to quality health care and education, demographic trends, and appropriate access to decision-making. Saskatchewan has roughly 190,000 kilometers of rural roads, the most per capita in any jurisdiction in the world²⁸. There is evidence, however, that rural roads and bridges are deteriorating across the province²⁹. Increased traffic in recent years, especially industry traffic on roads designed to move people and products is a particular challenge³⁰.

Access, connectivity, and distances between communities are particularly challenging in northern

Saskatchewan, especially for communities dependent on fly-in/fly-out access and winter roads. The cost of living in far north communities is extremely high—a 2litre carton of milk can easily cost \$12.00. Also concerning is the number of communities that lack access to potable water. According to Health Canada³¹, as of April 30, 2015 at least 27 First Nations are under drinking water advisories.

The rural-to-urban population redistribution is expected to persist. For communities outside the influence zone of urban centres, this implies an aging population and low or negative rates of population growth¹⁰. School closures and the loss of other public (e.g., health care) and private sector services will accompany population decline. Access to quality health care and education is dependent on threshold size populations to support those services. Complicating matters is the very large number of rural municipalities making cooperation in economic development efforts difficult—competition is more common. The young and rapidly growing Aboriginal population is a tremendous resource as well as a challenge in terms of full participation in the economy.

Finally, both rural and northern communities often perceive they are not adequately included in what is seen as centralized provincial decision-making. Consultation with only key stakeholders instead of widespread community consultations is a common practice. There is a fear that policies are created with limited understanding of the unique challenges and opportunities facing rural and northern regions²².

Policy Implications

The future of rural Saskatchewan depends first on accurately assessing the challenges and opportunities. Long term trends in the urbanization and concentration of economic activity, and the resulting population redistribution, will continue. The fabric of rural Saskatchewan that characterized the period of growth through the first half of the 20th century will not be recaptured. Instead rural opportunities lie in good and efficient government for the rural population, providing broad-based (not sector specific) support to encourage local entrepreneurship, and ensuring transportation and communication access to economic opportunities, globally as well as locally. The very large numbers and small sized governments, originating before WWI, now largely preside over areas that are much too small for

meaningful economic development activity. Further, the large numbers result in very high transactions costs of cooperation for mutual benefit. Some real or de facto municipal government amalgamation is long overdue.

The vast rural road network must be rationalized through upgrading some roads and abandoning others; broadband access is of key importance for both population and business retention. New technologies to deliver education and health services to a small and dispersed population will improve quality and reduce costs. A sustained effort to improve education, health and social outcomes for the Aboriginal population, both On- and Off-Reserve is likely to have high payoffs. Policies and programs need to ensure that rural and northern communities participate fully in the province's economic growth.

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