

## 2.7

# New Brunswick

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## Introduction

New Brunswick has been and remains one of the most rural provinces in Canada. Despite years of rural outmigration, the urban to rural ratio of population has remained close to 1:1 for the past 30 years. Over the same period the rest of Canada has gone from a 3:1 urban to rural ratio to over 4:1 (from 75% to 80% urban). According to the 2011 census, rural New Brunswickers made up 48% of the province's population, compared to 52% in 1986. So while rural New Brunswick continues to shed jobs and population, and the media reports consistently about the stampede of rural people either to our own urban areas or to points west, there remains a substantial and stable rural population base. Rural New Brunswick has its challenges but the people who remain there do so for reasons that may have less to do with money and more to do with non-monetary aspects of quality of life.



This chapter will briefly discuss the New Brunswick rural economy, issues of governance and service delivery, and prospects for the future. Analysts, government departments, many academics and prognosticators continue to declare rural New Brunswick is on life support, and that all value, creativity, economic growth and cultural innovation is created in cities. However, rural New Brunswickers' tenacity and persistence and abundant resources suggest that the future for rural New Brunswick may not be as dire as many predict.

## Economy

New Brunswick's rural economy, and indeed the provincial economy as a whole, is strongly tied to natural resources. Along the coasts, fisheries remain an important seasonal employer and aquaculture has picked up some of the slack in jobs shed from the wild catch fisheries. In the forested interior of the province, mining and forestry remain important employers, however, many mines have closed down. Potash is an important resource and employer in the south central region of the province and there is quite a bit of buzz (positive and negative) about a proposed tungsten mine an hour northwest of Fredericton. The forest industry continues to generate economic activity in rural and small town New Brunswick, but many large mills have been shuttered in recent years. Large mills in Dalhousie, Miramichi, Bathurst, and Juniper have closed operations. There has been a perennial battle between small woodlot owners (of which there are over 40,000) and the large forest companies regarding fair market values and access to markets for private wood. Recently the government negotiated long-term contracts extremely favorable to industry that provides a guaranteed supply of Crown wood for 25 years, however, jobs growth from this regime change in forest management will be negligible.

Agriculture exists in traditional pockets in different regions of the province, and in these places, agriculture remains an important employer but also purchaser of other rural based services (e.g., welding, trucking, etc.). Despite the persistence of these traditional rural employment sectors, agriculture only makes up 1.1% of employment province wide and an additional 2.3% is employed in forestry, mining, oil and gas, and quarrying according to Statistics Canada<sup>1</sup>. The forest industry claims that it "maintains" 22,000 jobs, but this includes indirect and induced jobs. Even counting spin-off jobs, forest-related employment only accounts for 2.8% of provincial

jobs. This means that retail, manufacturing, private and public services, and other sectors such as construction and transport are the more important rural employment options<sup>1</sup>.

Tourism is often touted as a complementary or even a potential alternative to resource sector jobs. New Brunswick's neighbouring provinces of PEI and Nova Scotia appear to have built a stronger tourism base. However, New Brunswick has climatic challenges. The tourist season is seasonal and relatively short in terms of attracting out of province visitors. Only a few pockets have seemed to thrive pursuing a tourism base for their economy. While more activity in this sector is desirable and there is considerable room for growth, it is not likely to provide long-term economic stability for rural regions, nor supply adequate replacement jobs for industrial resource sector jobs that are disappearing.

## Governance and Service Delivery

The vast majority of the territory of New Brunswick (92%), and roughly 35% of the population base fall under provincial administration and essentially have no local, elected representation. Fifty-one percent of the province is Crown land, and this is administered by the Department of Natural Resource. As of 2006, there were 101 municipalities (cities, towns, and villages), three rural communities, and 267 local service districts (LSDs). Some LSDs have elected Advisory Committees, that work with the Department of Local Government to make recommendations on how locally collected tax dollars are spent. However, the taxes are collected and decision-making authority for the administration of government services resides with the provincial department<sup>2</sup>. There is a relatively new administrative entity called the Rural Community, which allows smaller places to incorporate and take responsibility for administration of their own affairs. A population of 3,000 population and a \$200 million tax base is required to make an application. The notion of government bureaucrats, however, is to create much larger administrative units by agglomerating small, sparsely populated rural places into larger geographies to create these new entities. To date, only a few jurisdictions have taken advantage of this opportunity and a few others have undergone the democratic process but failed to receive the support of its citizens in plebiscites.

A recent development in governance and service delivery in New Brunswick has been the creation of Regional Service Districts (RSD), of which there are 12. These were brought in as of January 2013, in an effort to streamline and equalize services between rural and urban regions. They were seen as a more politically palatable alternative to forced amalgamations<sup>3</sup>. Services such as planning and waste disposal are currently the responsibility of the Regional Service Commissions. If these endeavors are successful and gain acceptance among the electorate, the RSDs may expand into other government service delivery areas such as recreation services, policing, and the like.

## Challenges

The province of New Brunswick faces a number of challenges. The provincial debt is now over 12 billion dollars, which by Ontario or Québec standards may not sound like much, but for a province with a population only slightly larger than Mississauga, this represents a considerable burden<sup>4</sup>. Ultimately this means the level and quality of services, such as roads, health care, education, will decline further as more of the taxes collected go to servicing the debt. These services in rural areas are already often of poorer quality and more difficult to access due to distance, lack of specialists, older facilities and more.

Another challenge for rural New Brunswick relates to human capital deficits. New Brunswick has some of the lowest literacy rates in the country. Rural literacy is worse than the provincial average because many rural jobs (e.g., construction, manufacturing and resource industries) do not require high literacy. As well, literacy is worse amongst Francophones and a higher proportion of these residents live in rural areas. Poor performance in literacy and numeracy makes it difficult to transition to a more knowledge based economy, which many view as the future<sup>5</sup>.

With the budgetary problems facing New Brunswick, there are commensurate problems with maintaining or increasing the level of infrastructure. Roads and highways are increasingly in disrepair. Decisions need to be made on major energy infrastructure, such as the prematurely aging Mactaquac Dam that provides New Brunswick with 12% of its electrical power and whose refurbishment would cost an estimated 3-5 billion dollars. Public wharves, hospitals, schools, and other basic infrastructure is also aging and given the lower population densities in rural areas, politicians find it harder to justify upgrades in more

remote regions of the province.

It is interesting to note that many pundits view immigration to be central to Canada's growth and development. In Canada as a whole, rural areas have poor immigrant retention rates, if they are successful in attracting immigrants in the first place. New Brunswick, as a province, has a poor track record on attracting and retaining immigrants. New Brunswick is already extremely culturally diverse but mainly in the context of our internal Canadian cultural diversity; that is between English, French, and Aboriginal cultures. Relations between European settler societies with Aboriginal peoples continue to be a challenge. The challenges have to do with federal versus provincial mandates and responsibilities, and with access to natural resources. Much of the protest against additional or intensifying resource development has come disproportionately from Aboriginal communities. This was particularly true in the case of hydrolic fracturing for natural gas.

## Prospects for rural New Brunswick

If one were to take media reports at face value, one would assume rural New Brunswick will be empty by 2050 and there would never be anything of interest or value there to attract people. The negative perceptions and coverage in the media is related to the time worn (and worn out) conceits that the economy needs to grow and the population growth is what will drive economic growth. There is a further assumption that population growth in Canada is now a function of attracting immigrants, something that the Atlantic region as a whole is very poor at doing, and that the rural areas of the Maritimes will simply have no chance in that game<sup>6</sup>. So the prognosticators and boosters of urban Canada as the center of all creativity, growth, and culture continue to spread the message that rural Canada, and rural New Brunswick is doomed, and worse, are a drain on the rest of the country.

Fortunately, not all rural areas are in decline. In the Upper St. John Valley (from Woodstock/Hartland to Grand Falls) unemployment rates are low, there are many small and medium sized enterprise, including successful agriculture and food processing ventures. Small towns along that stretch of the river continue to persist and provide quality of life without having to necessarily a rapidly growing economy. The Sussex area is another rural success story in New

Brunswick. While potash mining is important to the Sussex area, its rural economy is diverse and thriving. Economic activities there include forestry, agriculture, recreation, and more. Situated between New Brunswick's three urban centers helps, and in the future urban adjacent rural areas are likely the best positioned to succeed. These places may provide a model for other rural regions in New Brunswick.

There are still rural resources available in vast quantity that could provide a basis for a strong, local rural economy and culture. Notable among these resources are an abundance of underutilized agricultural land, and ample wind, tidal, hydro and solar resources to fuel a distributed, low-carbon energy production system. With climate change models predicting warmer temperatures and more precipitation, rural New Brunswick could capitalize on these environmental changes going forward. In order to do so, however, there needs to be vision and the proper policy frameworks. Currently, both parties that traditionally hold power appear to be doubling down on the fossil fuel economy as they promote pipelines from Alberta or hydrologic fracking for natural gas as the only plausible alternatives for economic engines for the province. Both of these paths would provide only short-term gains, but the short-term is all that politicians generally concern themselves with. Rural residents are interested in the long game, and rural New Brunswickers have demonstrated a knack for ingenuity, creativity and persistence as they continue to find ways to live, work and sustain themselves as they have for generations. Lower material standards and measures of wealth do not necessarily mean lower overall well-being, a notion of which many rural New Brunswickers are keenly aware.

## References

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