

## 2.9

# Nova Scotia

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### Introduction

The province of Nova Scotia, and its rural communities, stand at the precipice. Change is imminent. In fact, the recent provincial Commission on Building Our New Economy, the Ivany Report<sup>1</sup>, decreed that change must happen. The only questions are what types of changes and when to implement them. The Ivany Report states the changes needs to take place immediately. Rural communities are confronted with a series of economic and demographic challenges, yet there is a renewed energy at the local and regional levels to move rural communities and rural regions forward.

This chapter outlines the key demographic trends taking place in rural Nova Scotia, the local government systems, the rural economy, and rural infrastructure and services. The chapter concludes with three recommendations for strengthening rural Nova Scotia.

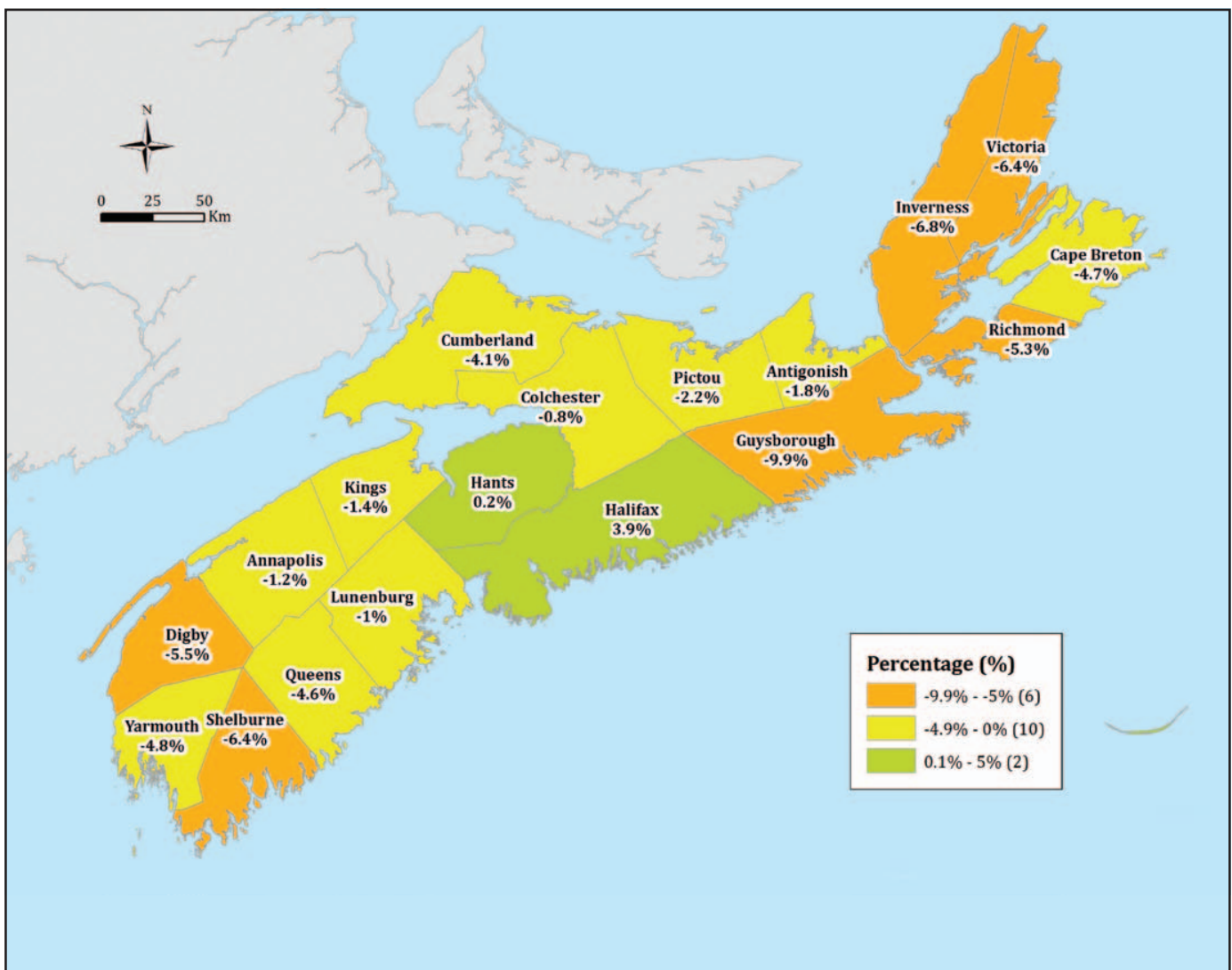


## Demographics and Human Capital Development

Nova Scotia is among Canada's most rural provinces. In the 2011 National Household Survey 43% of the province's population resided in census rural, communities with a population of less than 1,000 and outside areas with 400 people per square kilometre<sup>2</sup>. Rural communities can be found throughout the province, both along the coast and inland. Although Nova Scotia has a high proportion of residents in rural communities, recent demographic shifts are changing rural populations.

Rural Nova Scotia is experiencing three key demographic shifts. Similar to other Canadian provinces, Nova Scotia is witnessing a shift of population from rural communities to urban communities. From 2010-2014, the only two counties in Nova Scotia experienced a growth in total population: Halifax and Hants<sup>3</sup> (see Figure 1). The further the distance away from the provincial capital and central region of the province, the greater the population loss. The demographic shift phenomenon taking place in rural Nova Scotia is not new, having been documented since the early 1990s<sup>4</sup>.

Figure 1: Population Change (All Ages) by Census Division, 2010-2014



Source: Nova Scotia Finance and Treasury Board (2015)

In addition to the rural to urban migration trend, the province is witnessing an increase in the proportion of the population exceeding 65 years of age. The out-migration of youth and younger workers contributes substantially to this trend. Currently, Nova Scotia has the second oldest population in Canada<sup>1</sup>. The aging population has implications for succession planning, opportunities for youth, volunteerism, and community dynamics in general. Issues of youth out-migration have been key challenges in many rural communities throughout the province<sup>5</sup>.

Compounding both the rural-urban and the aging trends is the fact that the province is witnessing an absolute decline in the total population. The Ivany Report<sup>1</sup> suggests the province's total population could decline by 5% by 2038. This proposed decline would undoubtedly impact rural communities greater than urban communities. The Ivany Report states, "Nova Scotia is on the verge of a significant and prolonged decline in our standard of living, in the quality of our public services and amenities, and in our population base, most seriously in the rural regions of the province."

## Governance

Four types of organizations represent local government in Nova Scotia: 2 regional municipalities (Halifax Regional Municipality and Cape Breton Regional Municipality), 31 towns, 21 rural municipalities, and 22 villages. The latter three types of local government are predominantly rural. The past decade has seen witness to a series of discussions regarding the roles and responsibilities of local government. Local governments struggle to respond to ever increasing demands of residents for services such as water quality, transportation, recreation, and policing. Local governments are also the recipients of downloading from the provincial and federal governments.

In the early 2010s, the Towns Task Force was created to make recommendations to address the challenges encountered by towns. The Towns Task Force made a series of recommendations, including that local government needs to have long-term sustainability, supports for regional service delivery, enhanced collaboration among local governments, and enhanced economic development strategies<sup>6</sup>.

In 2011, the Province of Nova Scotia generated the first Financial Conditions Index of local governments (<http://novascotia.ca/dma/finance/indicator/fci.asp>). The Financial Conditions Index compiles existing financial information for each local government

on local government revenues, budgets, debt and capital. The Index examines the financial standing of each municipality and ranks each indicator on a three-point scale to indicate if the municipality meets the suggested level and the average of all municipalities. Many rural municipalities, towns, and villages have multiple indicators that do not meet the suggested level, indicating potential financial challenges.

The Financial Conditions Index and the Towns Task Force both serve to examine rural realities and propose a new course forward for local government in Nova Scotia.

## Economy

The health of the Nova Scotia economy has been the center of much discussion over the past decade. The provincial economy, as described recently in the Ivany Report<sup>1</sup>, is at a tipping point. Others have described the economy as stagnant, dying, and on the verge of decline<sup>7,8</sup>. The previously discussed demographic dynamics play heavily on the economy of the province.

The economy of rural communities continues to be focused on natural resources, such as agriculture and agri-food, fisheries/aquaculture, mining, and forestry. A select number of rural communities benefit greatly from manufacturing operations, such as the three Michelin tire production plants in Bridgewater, Pictou, and Waterville. The rural economy is one of two stories: rural coastal economies are generally in decline, while rural inland economies are stable or witnessing low growth<sup>1</sup>. Although rural communities have seen the economic output of natural resource-based industries, there tend to be fewer people directly employed. This is largely a response to increased computerization and mechanization.

Recent reflections on the economy of Nova Scotia have all noted a need to diversify the economy. For rural Nova Scotia, the diversification of the economy has been an evolving task. After nearly 20 years of operation, the regional development authorities (RDAs) were discontinued in 2012<sup>9</sup>. Twelve RDAs provided coordination and leadership of local and regional economic development activities in all regions of Nova Scotia. In 2012, the Atlantic Canada Opportunities Agency announced it would cease financial support of RDAs as federal services were predominantly available online and no longer required a regional champion. The discontinuance of the Atlantic Canada Opportunities Agency funding



led to their demise.

In the wake of the elimination of the RDAs, the province of Nova Scotia created a Regional Enterprise Network (RENs) program in 2013. All communities in the province were invited to form a REN, with five formed to date. The RENs are to serve as a facilitator for business development, regional cooperation, and connection to provincial government departments. It is too early to evaluate the effectiveness of RENs to stimulating and diversifying the rural economy.

Nova Scotia is home to a vibrant social sector and a dedicated labour pool of both volunteers and employees alike. The provincial volunteer rate is higher than the national average by 7.7%, and collectively, in 2013, the province contributed a higher annual average amount of volunteer hours than any province in Canada<sup>10</sup>. Morale within the social sector is also positive, as 96% of non-profit workers in Nova Scotia are strongly committed to the mandate of the organization that they work for. This is 10% higher than the national average, though it does not exempt the provincial social sector from the same economic trends that spur on outmigration from the province in other sectors.

The cooperative sector is especially active in rural Nova Scotia. The quantity of cooperatives in urban areas is slightly higher, at 154, versus 136 in rural areas. Despite being fewer in numbers, rural co-ops generate 1.8 times the revenue, have three times as many members and twice as many employees, compared to urban cooperatives. In part, this may be due to the prevalence of agricultural and dairy cooperatives, such as Scotsburn or Farmers<sup>11</sup>. Like other parts of the Nova Scotian economy, the cooperative sector is in economic decline. An annual report describing 2012 trends, by the Cooperatives Branch of Service Nova Scotia<sup>12</sup>, found that there were 367 fewer jobs in co-operatives and 1,587 fewer memberships than the previous year. In tandem with this trend, the annual income of co-operatives in the province has decreased.

Social enterprise organizations, as organizations that operate using a business model in order to catalyze positive social or environmental change, are also an important part of the social economy in Nova Scotia, despite not having a well-defined or understood legal status in Canada. In 2013, there were 5,630 people employed with social enterprise organizations. The Nova Scotia Social Enterprise Sector Survey notes that this is a conservative estimate, as it only accounts for the 20% of all social enterprises that participated in the survey. The vast majority of social enterprises focus on a







small geographic scale, such as the neighbourhood or community in which they were founded<sup>13</sup>.

## Infrastructure and Services

Rural Nova Scotia, similar to rural jurisdictions throughout Canada, is encountering substantial infrastructural deficits and concerns regarding service provision. It is not uncommon to hear stories in local newspapers regarding the quality infrastructure: roads, water and sewer pipes, and water testing facilities to name a few. Rural communities struggle with how to operate and maintain this infrastructure in light of out-migration and aging trends. Recent recommendations have focused on achieving cost effectiveness through service sharing agreements.

The provision of services in rural communities is also impacted by the three population trends addressed earlier: out-migration, aging, and absolute decline. Reports of school closures, health service closures, and decreases in public transit are becoming more common. In light of service provision challenges rural Nova Scotia has a robust and increasing social economy, largely responding to the abdication of service

provisions. Nova Scotia has a vibrant community of volunteers. In fact, Nova Scotia residents averaged the highest annual hours of volunteering in Canada at 181<sup>14</sup>. In June 2015, rural leaders from across the province gathered to draft the 'Nova Scotian Rural Declaration'. The statement encourages both rural and urban Nova Scotians to tackle economic and demographic trends to achieve rural renewal.

## Aboriginal

Almost 34,000 residents declared Aboriginal identity on the 2011 National Household Survey, as First Nation, Métis, or Inuit<sup>15</sup>. The Aboriginal population constitutes 2.7% of the province's population. The province is home to 13 Mi'kmaw communities dispersed throughout the province.

The Aboriginal population is considerably younger than Nova Scotia in general. The median age of Aboriginal Nova Scotians is 25.4 years compared to 41.6 years for the rest of the province<sup>16</sup>. The Aboriginal population encounters higher unemployment rates and lower educational attainment levels.

## Recommendations

Based on the key demographic trends taking place in rural Nova Scotia, the local government systems, the rural economy, and rural infrastructure and services three recommendations are provided to strengthen rural Nova Scotia.

**Job Creation Strategies:** Employment opportunities are a key driver for rural revitalization and sustainability. A key driver of youth out-migration and adult out-migration is the lack of employment opportunities. Rural Nova Scotia needs to examine how to encourage new job creation opportunities that builds on the traditional industries and responds to the global economy.

**Mechanisms to Encourage and Support Local/Regional Collaboration:** Rural Nova Scotia communities and the provincial government need to create and support existing mechanisms to encourage regional collaboration. As population dynamics continue to change, rural communities need to find avenues to explore collaboration, both formal and informal.

**Place-Based Approaches:** Although rural communities in Nova Scotia hold similar patterns, there is a great diversity of opportunities and challenges. Given such diversity, policy and programming needs to be crafted in a manner that recognizes local and regional differences. Province-wide strategies are bound to be ineffective in some regions.

The precipice confronting rural Nova Scotia is clear. To avoid the precipice, attention needs to be paid to economic and demographic trends. How and when actions are taking to avoid the precipice is less clear. That being said, there is a tremendous momentum from rural community residents and leaders to chart a different future, one that leads to rural renewal.

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