

## 2.1

# British Columbia

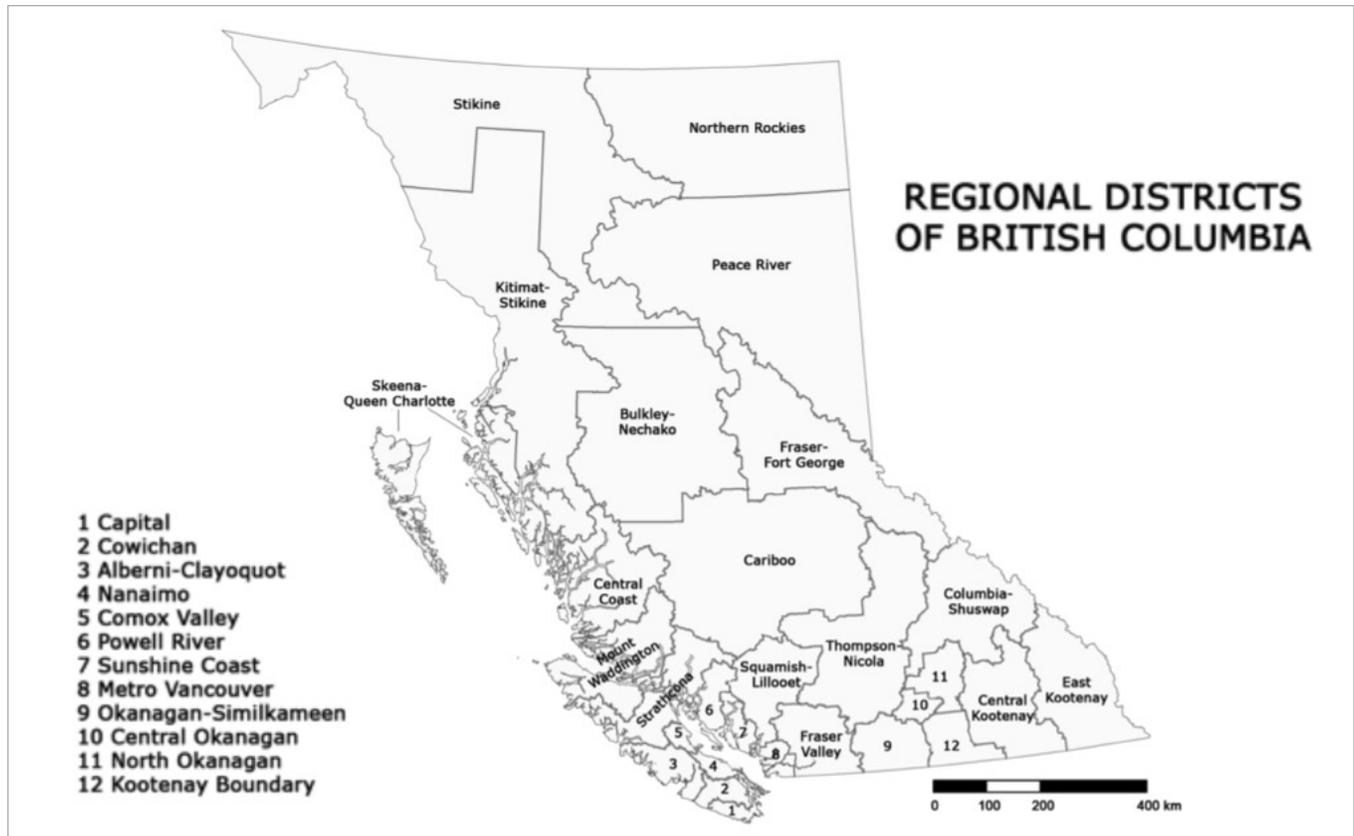
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## Introduction

Rural British Columbia (BC) is a dynamic and evolving landscape. For generations it has been the economic heart of BC, and since 1980 rural BC has been experiencing the opportunities and challenges of a faster paced and more integrated global economy. BC's rural and non-metropolitan regions share many things in common with other provinces. As elsewhere, BC is organized around a strong metropolitan and non-metropolitan divide. The metropolitan Vancouver-Victoria region contains just over 60% of the population within a relatively small area, while the remaining 40% is distributed across the rest of the province. In addition, as elsewhere the provincial government struggling with debt and deficit issues, together with rising costs, have implemented a series of actions that have closed government offices in non-metropolitan places. The implications have been a significant reduction in the eyes and ears that the provincial government has on the ground across non-metropolitan BC. In a context where rural-urban regions are tied together, but rural policy development is envisioned only within the confines of metropolitan Vancouver and Victoria this is a difficult challenge indeed.



Figure 1: Regions of British Columbia



Map credit: Kyle Kusch

BC's non-metropolitan area is not a uniform landscape with a single trajectory, but instead is diversifying into a suite of different development regions<sup>1</sup>. Amongst these diversifying regions are the metropolitan fringe areas of southern Vancouver Island and the Fraser Valley (Figure 1) that have received considerable spillover growth (4.7% and 8.0% respectively since 2006). With mild climates, they have received flows of amenity and retirement migrants.

The Okanagan Valley forms a second significant non-metropolitan region. In this case, the economy has diversified from a low value fruit production landscape to a mix of fruit, wine, and tourism products. It is also an attractive region for retirement in-migration and the services needed to support that population<sup>2</sup>, and as a result has grown by over 7% since the 2006 Census. With the completion of the Coquihalla Highway in 1986, it has also become increasingly connected with the Lower Mainland in terms of business and second home residents<sup>3</sup>. The region has also become a source of skilled fly-in, fly-out labour to northern BC and to the oil sands in Alberta. In the Kootenays, the challenges

around restructuring of traditional natural resource industries that put downward pressure on population and development change have been accompanied by an upswing in amenity migration, retirement migration, and associated processes (2.9% growth).

Northern Vancouver Island and Northern BC continue to be significant natural resource production regions. However, reduced employment opportunities, increasingly large firms, the substitution of capital for labour, and other restructuring pressures have meant that population growth has been relatively flat or even declining in many areas (1.8% and -0.1% respectively since 2006). Home to BC's oil and gas industry, the development and demographic fortunes of the Peace River Region have risen and fallen with the swings of that industry. In sum, there are many different "rurals" that comprise non-metropolitan BC. Over time, changes in industrial connections have reshaped metropolitan-hinterland relationships. This does not mean that longstanding connections have disappeared, but they have been reduced, supplemented, or diversified<sup>4</sup>.

## Demographics and Human Capital Development

One of the significant stories in non-metropolitan BC's demographic landscape is that of accelerated population aging. While the Canadian population is aging, non-metropolitan BC often shows a trend of aging at a faster rate. In resource production regions, the continued employment of long-time workers who are aging on the job, as well as the out-migration of youth as a result of the lack of new jobs in those same communities has created a process of resource frontier aging<sup>5</sup>. In other regions, the climate and service regimes have formed attractive pull factors that have created significant in-migration streams of retirees or older amenity migrants.

With attention turning towards demographic aging, there has not been a renewed investment in the adaptation of community infrastructure, the community housing landscape, or local services to enhance community attractiveness for the next generation of young workers. Research identifies that young households are seeking a different suite of amenities than families in the 1960s and 1970s<sup>6</sup>. This need to renew the population and to attract immigrants and in-migrants will require investment across all of these areas to guide successful recruitment and retention in small communities.

Adding to the demographic complexity of change in non-metropolitan BC are trends within Indigenous communities where the population tends to be younger while maintaining a higher birth rate than the non-Indigenous population<sup>7</sup>. Community development and economic development strategies must be more broadly adopted to enhance the participation of young Aboriginal individuals in education, labour force training, and the labour force<sup>8</sup>.

This highlights the need for increasing attention to human capacity development. Too often, policy decisions recently have focused only on short-term skill gaps relative to major infrastructure or resource development projects, and even then focused more specifically on the needs of specific trades. These things are important, but we also need to pay attention to the long-term development of a learning workforce.

## Governance

Research on new regionalism clearly highlights that for non-metropolitan regions to be more effective and proactive in addressing opportunities and challenges in the global economy, we need more attention to issues of governance<sup>9</sup>. In BC, one of the critical elements of governing non-metropolitan areas is the role of regional districts†. Like larger local government entities in other provinces, the regional districts have experienced a slow evolution of their mandates but have not really taken full command of the visioning and planning processes for the large territories that they cover.

The intense debates about large-scale resource development projects in BC, including various oil pipeline and liquefied natural gas (LNG) proposals, have highlighted that our government structures on the ground (be they local government, regional districts, Indigenous or band governments) are not equipped to manage larger processes of governance<sup>10</sup>. The focus on large-scaled industrial projects has posed challenges for small communities to anticipate booms and busts, to understand positive and negative cumulative impacts of multiple industry projects across different resource sectors, and to obtain their 'fair share' to support appropriate investments in infrastructure and services<sup>11</sup>. The development of trust funds and community foundations are providing supplementary financial resources; although, many remain in the early stages of development. Moving forward, there is a need to ensure that collaborative structures engage industry, local and senior levels of government, and relevant stakeholders to identify and monitor the integrated nature of cumulative environmental and socio-economic impacts from resource development<sup>12</sup>. A movement towards regional assessment processes is working to mitigate these issues<sup>13</sup>; although, there has been no guidance or consistent methodological approach by senior levels of government for cumulative impact assessments<sup>14</sup>. Further, the application of rural development programming and debates over development opportunities have not demonstrated a clear understanding of the complicated aspects of Aboriginal governing rights and title that have been accorded through various court cases.

Historically, rural development supports as organized by the provincial government have been significant

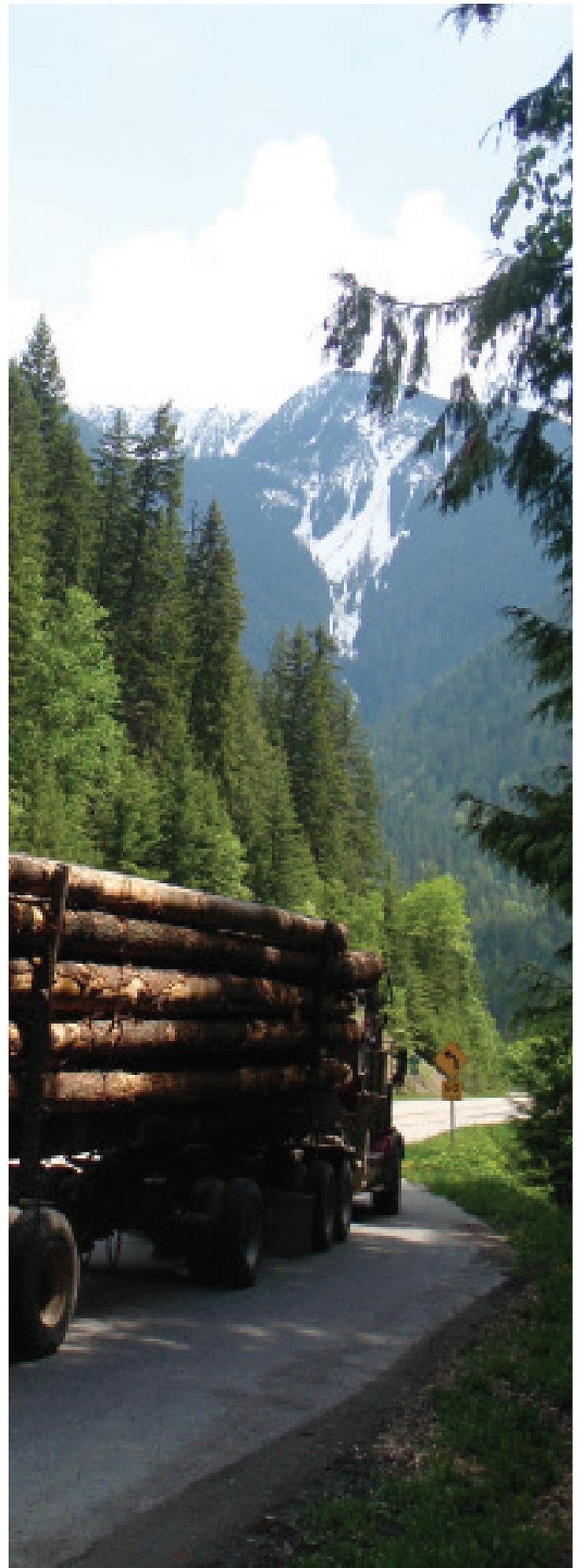
† Incorporated in 1965, regional districts provide planning and services for large tracts of unincorporated rural areas. They also provide a mechanism where municipalities and unincorporated rural areas can collaborate on joint service needs. They are governed by a board that includes appointees from municipal councils and electoral representatives from rural areas.

and considerable dollars have been invested. Unfortunately, these initiatives have suffered from being sporadic, sectoral, and, at times, highly politicized. The short-term nature of these programs has meant that their effectiveness is never able to gain substantive traction. One of the compounding problems is that each of these initiatives (in addition to various federal programs) happens within a BC framework where there is no comprehensive rural policy as we see in provinces such as Québec.

Added to this complexity is the fact that in BC, unlike most provinces in Canada, there remain considerable areas where the Indigenous land question has not been settled through treaty negotiations. This has been identified time and again as a significant barrier to Indigenous and non-Indigenous community and economic development, as well as to the fortunes of the province as a whole<sup>15</sup>. While there have been some modern treaties signed in northern BC, the recent supreme court decision around the Williams case highlights a longer evolution of court decisions that identified the need to negotiate land and title questions<sup>16</sup>. The Supreme Court under the Williams case declared Aboriginal title to approximately 1900 km<sup>2</sup> that provided the T̓silhqot'in with control over the use and development of this territory and excluding these lands from government jurisdiction.

## Economy

Turning to the rural economy, BC's provincial economy is more dependent on exports than the Canadian economy as a whole (39.4% vs. 30.6% respectively)<sup>17</sup>. In turn, BC's export economy is dominated by the export of minimally processed raw materials<sup>18</sup>. When looking at the resource economy, it is very clear that there has been significant economic restructuring since the global recession of the early 1980s. We have seen companies increase consolidation strategies, adopt labour shedding technologies, and pursue more flexible and mobile labour regimes<sup>19</sup>. The net result is that now we are exporting more raw resources than at any time in the past. However, there is less local employment in rural regions per volume of commodity exported. There are also fewer local benefits from those resource industry activities as companies struggling for profitability have argued for reduced contributions to local property taxation and contribute less via other means to community infrastructure. This supports findings from research out of Statistics Canada that has identified that if you are interested in robust rural development, natural resource sectors don't support that direction<sup>20</sup>.



## Infrastructure and Services

Since 1980<sup>21</sup>, infrastructure investments and services have been transformed by a neoliberal public policy framework that has favoured market-based providers and reduced government expenditures in many areas. As a result of these changes in the public policy mindset, non-metropolitan BC is accumulating an infrastructure deficit. This was highlighted significantly, for example, when initial work on the new LNG initiative got underway in communities like Terrace and Kitimat. Not only were there insufficient social services to deal with the upswing in economic activity, but a good deal of the infrastructure was insufficient to handle the increasing workload now demanded of it<sup>22</sup>.

A further complication is that reductions in service availability often get picked up at the local level within the voluntary sector. This voluntary sector, however, is limited by the size of the local population and the potential volunteer base in small communities<sup>23</sup>. Changes in the health and social service sector have put additional stresses on the rural voluntary sector who step in to fill service gaps but who run the risk of burnout.

Finally, several large-scale industry projects have prompted a large influx of construction workers and mobile workers. This has produced severe housing shortages, an increase in hidden homelessness, and even out-migration for vulnerable residents who have essentially been squeezed out of the rental market. Higher rental rates and market prices have also meant that there is greater difficulty to attract and retain workers in a range of community sectors, such as local government, health, social services, education, daycare, police, business, and tourism and recreation. While BC Housing has deployed affordable social housing funds and subsidized rent programs, the criteria for these programs do not reflect the cost of living in boomtown settings. In these places, many households that are not designated as low-income are not able to afford high rental rates, but do not qualify for supports from these social housing programs.

## Recommendations

Continuing work with rural communities and regions highlights the indivisibility of the economy, rural society, and the environment in both community and economic development. A recent large economic visioning project highlighted that people wanted

not only jobs, but jobs that “respect people, the environment, and the rural and small town quality of life that defines a northern lifestyle”<sup>24</sup>.

The general story of rural development in BC and the implications for those development trajectories looking forward highlight, first and foremost, that successful policy and investment approaches recognize that rural and urban regions are together in a singular provincial economy and they further recognize the valuable contributions that rural regions make to the health of the provincial economy. This recognition not only supports more fruitful or viable policy development, but also creates a base for supporting significant reinvestment in that key economic infrastructure.

These first two elements, combined with the recognition of the diverse suite of non-metropolitan regions across BC where each have their own development trajectories, means that we must pay a great deal more attention to place-based policy development and program application. We need to listen and understand what people in places have to say about opportunities and challenges. We also need to support initial mechanisms for allowing regional voices to come together to create visions for how development assets might be understood, re-bundled, and then mobilized to support community aspirations.

Finally, as highlighted in a number of places, the separation of jurisdiction between Indigenous and non-Indigenous interests has been a challenge that has not yet successfully been resolved. Recognizing the Williams decision, there continues to be a need for all parties to address seriously and resolve earnestly issues around treaty settlement and the relationship between Indigenous and non-Indigenous communities.

After the Second World War, the rural regions of BC were developed with a vision that included not only the resource wealth of the region, but ways in which that resource wealth could support both provincial as well as local and regional economies and qualities of life. Since the 1980s, that model has been stressed and we have slipped in our attention to reinvesting in the health of those rural communities and economies. The time and opportunity are now to reimagine the relationship between urban and rural BC and transform rural BC from a resources bank from which revenues are extracted into a true partnership for the health and prosperity of all in the province.

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