

2.4

Manitoba

Bill Ashton, Stephanie LaBelle, Ruth Mealy, and Wanda Wuttunee

Introduction

The Rural Development Institute at Brandon University celebrated its 25th anniversary in 2014 and marked the occasion by publishing a series of Rural Factsheets and hosting two workshops with a variety of rural stakeholders. A summary paper was then written that highlighted the information from both the factsheets and the workshops¹. The summary paper captured the essence of rural Manitoba and the highlights of that report are a fitting introduction to this paper:

- Rural Manitoba is growing, although growth is uneven and depends on proximity to urban areas or natural amenities, immigration, and Aboriginal populations.
- There is an aging population and an aging workforce which may pose labour shortages.
- Essential and business services are at risk in communities where population is declining below the threshold necessary to support these key services.
- The sectors driving the rural economy have shifted from primary agriculture to wholesale and retail, manufacturing, healthcare, and natural resource development.
- Farms have continued to grow, although employment in primary agriculture has declined, shifting from small family farms to larger corporate owned structures.



In order to address these challenges, communities in rural Manitoba are encouraged to:

- Focus on population growth strategies such as immigration and youth retention and attraction strategies in areas where population has shown consistent decline. Growth strategies can also be used to support succession planning in communities of decline to ensure threshold population levels sufficient to maintain basic key services.
- Target growth opportunities in sectors outside of agriculture such as food and agri-product processing, tourism, recreation and other service industries. Focus on building infrastructure such as highways and rail lines, which are necessary to move goods and services and support the growth of rural economies.

Aboriginal populations are growing in Manitoba, while health and social issues have hindered growth and development within Aboriginal communities. Efforts towards self-governance, addressing food security and collaborating with neighbouring municipal partners are all emerging as strategies that Aboriginal leaders are adopting to try to address these issues.

In summary, rural Manitoba has an aging and in places growing population, with a diversifying economy, and some communities are exploring collaboration as a way to approach common issues and opportunities. This chapter examines demographics, governance, rural economy, and Aboriginal communities as critical factors of rural Manitoba's future.

Demographics

Manitoba continues to experience a changing demographic landscape. About 489,000 or 40% of Manitobans live in non-metropolitan areas, which is higher than the national average of 30%². While rates of natural population increase are generally higher in Manitoba, out migration is greater than net births, and is a significant component of population dynamics.

Another dynamic in Manitoba is that there is both growth and decline in rural areas of Manitoba. Growth is occurring primarily in rural areas adjacent to Winnipeg and Brandon, while there is a trend towards population decline in the Parkland and several municipalities in the southwest. Growth and decline in rural Manitoba is dependent on other factors such as proximity to natural resources, level of immigration, and business investment. Neepawa, for example, saw population decline for three decades, until the re-establishment of a pork

processing plant in the late 80s, which resulted in a need for a larger workforce than was available in the region. Immigration attraction efforts in the 2010's have resulted in rapid population growth to this otherwise agriculture-dependent community³. Generally, populations are ageing the further one travels west beyond metropolitan Winnipeg, and where the communities' average age also increases⁴. Yet, in the north of Manitoba, with growing Aboriginal populations, the average age of communities is much younger. This highlights the need for good governance at all levels, to ensure rural and Aboriginal leadership can effectively manage the changing demographic landscape.

Governance

The last several years has seen significant changes regarding the roles of governments in rural communities, particularly with issues of rural economic development, immigration, and amalgamation.

Provincial governments withdrew funding for the seven Manitoba Regional Development Corporations (RDCs) in 2012. All RDCs closed except for the Southwest Regional Development Corporation⁵. The mandate of these organizations was to support and encourage economic growth and diversification in rural areas. The RDC program has not been replaced. Yet, since 1995 the Federal government has funded 269 Community Futures regional economic development corporations across the nation, with 16 in Manitoba. Collectively across Canada, these corporations have invested \$3.7 billion in rural Canada and created or maintained 465,000 jobs⁶.

There have been over 100 Community Development Corporations formed in Manitoba since the early 1960s, with most forming in the 1990s to take advantage of provincial government support and funding for local loan pools. Today there are 65 active CDCs⁷. There is a wide range of capacity in communities to manage and support these corporations and many have struggled over the years with capacity issues and lack of support from provincial and local governments. Most are operated by volunteer boards, and few have full and part time staff. The resources local governments provide for local economic development initiatives continue to be sporadic and often left to the interests of local leadership. Equally important local partners are the 50 Community Foundations located across rural Manitoba, which are also contributing resources and making significant investments year over year⁸.

Local and provincial supported regional economic development structures, programs and processes are important to ensure rural communities can create and initiate opportunities for economic growth and development. Markey et al.⁹ and Blakely and Bradshaw¹⁰ stress the importance of having an organizational structure in place as a key component in an effective community economic development. What is often missing is the inter-organizational coordination at the local to provincial levels for continuous exploration and pursuit of regional assets.

Manitoba was noted as having an excellent settlement service approach, with a range of services for all immigrants. As a result, Manitoba had some of the highest immigrant retention rates in Canada, many of them settling in rural Manitoba. In fact, while most provinces have 4-6% of new Canadians settling in rural areas, Manitoba attracts over 20% of new arrivals in rural areas¹¹. Support for immigrants and their families is necessary in ensuring they continue to come to Manitoba, settle and remain in rural communities. However, there has been a recent setback with the 2012 federal budget which terminated an immigrant settlement accord with Manitoba, and changed the service delivery paradigm in Canada. Besides the rapid policy change, this left gaps in services for many settlement service organizations, as reported in a recent study of 29 communities across western Canada¹².

According to the Municipal Act, the minimum population threshold to form a municipality is 1,000 people. In 2012, the Manitoba government initiated a province-wide municipal amalgamation for communities falling below this population threshold. Municipalities were tasked with selecting their amalgamation partners. By January 2015, 107 partnered to form 47 new rural municipalities¹³. The number of municipalities decreased from 197 to 137.

The provincial government claimed that amalgamation would be more efficient and increase capacity for economic development. There were concerns over the short timeline to complete the process, and questions regarding the administrative and financial efficiency brought by amalgamation. The Association of Manitoba Municipalities argued in court that the province should have allowed voluntary participation in amalgamation, but the case was overturned and amalgamation proceeded¹⁴.

As a public policy, the amalgamation initiative can

be seen as a way of strengthening rural communities, as local government capacity continues to be instrumental in rural growth. While the municipalities are larger, however, governing bodies are still challenged to reverse declining population, and encourage growth. Local government organizations, institutions, businesses, entrepreneurs, and residents, need to work cooperatively and invest in their communities.

Too often, new public policy brings about significant and unexpected change. There is a need for meaningful consultation prior to new policies and programs so those affected can help shape the final policy. There is equal concern and need for consultation during implementation as well, to effectively realize intended benefits and reduce negative impacts. Knowing provincial and federal government programs and policies can be politically motivated, and may not thoroughly consider the impact on rural people and communities, community engagement becomes even more important. Consultation enables a region to respond effectively to policy changes and major economic crises. When a large sawmill closed in eastern Manitoba, several First Nations communities recognized the need to work together to address the situation. Broken Head, Sagkeeng, Black River, and Hollow Water First Nations are now finalizing negotiations for a forest management license, and are doing feasibility studies to operate their own sawmill. They intend on using wood to build houses and to meet local needs of the community¹⁵. Such community forests and related management responsibilities are an example of how communities can work together to positively impact local development and improve quality of life.

Managing growing communities in rural Manitoba as well as those that are declining require additional support for regional economic development. Creating support infrastructure needed to sustain rural communities largely depends on the capacity of local governments. An approach like Québec's regional pacts, would help coordinate investments into rural regions in Manitoba from as many as 11 provincial departments. Within the planning regions of Québec, stable and growing municipalities are provided an incentive to assist 'lagging communities' so they all benefit¹⁶. Such a top-down and bottom-up approach seems promising as a possible example of a policy and program that could be implemented to support struggling municipalities in Manitoba.



Rural Economy

Manitoba has a much diversified economy and non-metro Manitoba has contributed a significant 35% of its GDP each year from 2002 to 2012. Over half of this contribution comes from goods producing sectors (e.g., agriculture, mining, forestry, oil and gas, construction, utilities, manufacturing)¹⁷. In Canada, the average non-metro area contribution to GDP is about 30%, so rural Manitoba contributes more to the provincial economy than the Canadian average.

In terms of employment, the four largest sectors in non-metropolitan Manitoba are: health, wholesale and retail, manufacturing, and agriculture. Employment in non-metro Manitoba has grown steadily from 1997 to 2014, driven by growth in the service sector. Employment in the goods-producing sector declined during this time, due to a large loss of jobs in Agriculture, even though there was job growth in manufacturing and construction. The health sector has added more than half of all growth in employment in the services sector, followed by growth in Wholesale and retail, Educational services, Accommodation and food services and Transportation and warehousing¹⁸.

According to Manitoba Trade and Investment, agriculture accounted for 3.3% or \$1.7B of Manitoba's

GDP in 2013. The average net income per farm was \$92,000, and there are approximately 16,000 farms and 22,000 farmers in Manitoba¹⁹. Floods and droughts have placed stress on producers, and provincial support programs are also under stress due to these weather-related incidents. Manitoba's food and beverage industry is the largest manufacturing sector in the province, with 26% of total manufacturing sales, bringing in \$4.6B to the provincial GDP²⁰. Most of this industry is located in or around Winnipeg, although 290 of 444 food processing and distribution facilities are located outside of Winnipeg.

Manitoba Trade and Investment also report that Mining is the second largest resource industry after agriculture and food and that it generates 7% of Manitoba's GDP (\$3.1B in production).

An increase of food and agri-product processing in rural Manitoba would help to diversify rural Manitoba's economy. Several programs, agencies, and organizations already exist to assist in developing these industries. The Food Development Centre is a non-profit, fee-for-service organization that assists Manitoba's agri-food industry to develop and commercialize food products. They provide access to food scientists, engineers, and technologists, equipment, and technologies. They have assisted with the commercialization of Manitoba's Harvest Hemp Foods, the Canadian Birch Company, and



Bothwell Cheese products, which are now found on the shelves of grocery stores through the country. Other institutions such as the Composites Innovation Centre and the Richardson Centre for Nutraceuticals and Functional Foods all support new innovations and development in food and agri-product processing. Many of these activities are resulting in the creation of new businesses and/or jobs, some of which are located in rural areas.

Aboriginal Communities

In 2011, there were 195,895 Manitoba residents with a self-identified Aboriginal identity (First Nations, Métis, and Inuit), which represents 17% of Manitoba's population. This number is higher than in all other provinces, yet lower than those of northern territories. Within this group, 114,230 identified as First Nations, with 27% residing in the Winnipeg area, and 73% in non-metropolitan areas²¹.

Aboriginal people remain at higher risk for diabetes, heart disease, obesity, and mental health, among many other diseases. There is no doubt that there are infinite links between income, social factors, and health. Nonetheless, many communities have taken steps towards controlling factors affecting health of community members by first alleviating food insecurity. Understanding and growing food, and utilizing this within the scope of increasing food security is multilayered. For many, the current focus is on food security with many communities examining land management and agriculture as a means to address their food supply while increasing economic opportunities. Such initiatives are involving youth and instilling healthy lifestyle choices.

One effort at St. Theresa and Island Lake had mixed results when the community decided to serve local food as a means of stimulating local economy, and of providing healthy food to children in school cafeterias. They were unable to do this due to government policies regulating public health standards that restrict the use of any wild meat or fish not processed by the Freshwater Fish Marketing Corp¹⁵. In Hollow Water, there is a professionally trained chef from the community that works with Frontier School, and has taken 2000 youth on the land to hunt and fish, and then teaches them to cook in the bush¹⁵. These are examples that highlight just a small portion of the community-based projects that focus on addressing food insecurity.

Recently, Manitoba has seen many initiatives,

relationship-building, and cooperative efforts with First Nations communities and municipalities as a means of encouraging mutual economic development. The Municipality of Sifton and Sioux Valley First Nation have signed an economic development agreement and are working on joint projects. In addition, Opaskwayak Cree Nation, Town of The Pas, and Rural Municipality of Kelsey have signed a Friendship Accord, outlining 'government-to-government' relations, and are committed to the development of a regional economic development plan and process to work together on joint initiatives. These three communities were part of the Community Economic Development Initiative (CEDI) pilot project led by the Federation of Canadian Municipalities (FCM) and the Council for the Advancement of Native Development Officers (CANDO). The CEDI initiative will include the development of a Toolkit (<http://www.fcm.ca/home/programs/community-economic-development-initiative/about-the-program.htm>) to assist other communities to work together. Another powerful result from this pilot project was that the youth of the communities also developed a friendship accord to ensure coordination of joint-initiatives and projects.

Recommendations

Flexibility in Engagement, Process and Approach

Increased emphasis on the importance of governance, in ensuring rural and Aboriginal communities can effectively manage changing demographic landscape and impact their own local economies. Growth is uneven in Manitoba, so rural policies and programs need to be flexible to address different needs of rural and northern communities.

Shifting the Paradigm towards Cooperation

The municipal amalgamation initiatives are not enough to ensure surviving municipalities, let alone thriving rural regions will contribute to provincial prosperity. Creating healthy and sustainable rural communities largely depends on the capacity of local governments. To increase the capacity of local governments, provincial economic development agencies could take on more of a dual approach: one supporting growing communities to thrive and another aimed at helping communities and regions drive their own development. Both approaches need to take the 'long view' and Québec's regional pacts, with decades of evidence of measured success, is a great starting point for Manitoba, and possibly

the rest of Canada. Although programs seem to be in abundance, what is often missing are two essentials: awareness of the programs at the local level and ability for government agencies to assist communities given their varying levels of limited capacity.

Need to Improve Economic Innovation and Resilience

Developing a meaningful economic development strategy and vision for rural Manitoba are the starting point for a robust economy. There is a need to embrace innovation, particularly in food and agri-product processing and manufacturing, which would improve resilience. If Manitoba is to move to a more diversified and holistic economy, there needs to be an increase in support from higher levels of government to develop social, local, and environmental capitals in rural and northern communities and regions.

Continuous Involvement of Aboriginal communities for a Brighter Future

Emphasis on improving food-security will foster a transition among many communities towards health and self-sufficiency. In rural regions, partnerships between municipalities and Aboriginal communities can only increase opportunities in community development that will benefit from the involvement of a wide range of stakeholders.

Reference

1. Ashton, W., and McCullough, S. (2015) The Importance of Rural Manitoba: A Discussion Paper. Brandon University, Rural Development Institute. See: <https://www.brandonu.ca/rdi/files/2014/09/Importance-of-Rural-Report-MAY15.pdf>
2. Bollman, Ray D., & Ashton, W. Rural Population Size and Change, Rural Development Institute, Brandon University, Brandon, Manitoba, July, 2014. See: <https://www.brandonu.ca/rdi/files/2014/09/Rural-Population-Size-and-Change.pdf>
3. Kelly, W., Ashton, W., Grills, M., and Zehtab-Martin, A. 2013. Discerning growth strategies: Neepawa and area. Brandon, MB: Rural Development Institute. See: <https://www.brandonu.ca/rdi/files/2011/02/Neepawa-and-Area-Research-Report-FINAL-ElecCopy.pdf>
4. Bollman, R., and Ashton, W. 2014. Components of population change. Brandon, MB: Rural Development Institute. See: <https://www.brandonu.ca/rdi/files/2014/09/Components-of-Population-Change1.pdf>
5. Stevenson, L., Province pulls plug on funds for RDCs, Manitoba Cooperator, May 30, 2012
6. Denbow, J., and Ashton, W. 2015. Canada's community Futures program: development sustainable communities in rural Canada. Prepared for 2015 International Comparative Rural Policy Studies summer Institute. Dublin, Ireland.
7. Manitoba Companies Office, reported to Manitoba Agriculture, Food and Rural Development, August, 2014
8. Frost, R. 2015. Director of The Winnipeg Foundation. Personal Communications. Winnipeg, MB.
9. Markey, S., Pierce, J.T., Vodden, K., and Roseland, M. (2005) Second Growth: Community Economic Development in Rural British Columbia, Vancouver: UBC Press.
10. Blakely, E.J., and Bradshaw, T.K. (2002) Planning Local Economic Development Theory and Practice, Thousand Oaks: Sage Publications Inc.
11. Bollman, R., and Ashton, W. 2014. Immigrant arrivals. Brandon, MB: Rural Development Institute. See: <https://www.brandonu.ca/rdi/files/2014/09/Immigrant-Arrivals.pdf>
12. Ashton, W., et al. 2015. Immigration settlement services and gaps in citizenship and immigration Canada's western region. Brandon, MB: Rural Development Institute with Immigration Research West.
13. Laurie Davidson, Personal communications. Assistant Deputy Minister. Manitoba Ministry of Local Government. Winnipeg, MB. June 23 (2014).
14. The Association of Manitoba Municipalities, The Rural Municipality of Harrison, The Town of Plum Coulee, The Town of Emerson, The Rural Municipality of Grandview, and The Town of Gilbert Plains v The Government of Manitoba and Minister of Municipal Development, (2013) MBQB CI 13-01-86864.
15. Thompson, June 7, 2015. Personal Communication.
16. Bruno, J., and Reimer, B. 2015. Québec's approach to regional development: a historical analysis. Brandon, MB: Rural Development Institute and Rural Policy Learning Commons. See: <https://www.brandonu.ca/rdi/files/2014/03/Quebecs-Approach-to-Regional-DevelopmentRPLCWEBINAR.pdf>
17. Bollman, Ray D., & Ashton, W. GDP by Sector in Non-Metro. Rural Development Institute, Brandon University, Brandon, Manitoba, July, 2014. See: <https://www.brandonu.ca/rdi/files/2014/09/GDP-by-Sector-in-Non-Metro1.pdf>
18. Bollman, Ray D., & Ashton, W. Non metro Employment Patterns. Rural Development Institute, Brandon University, Brandon, Manitoba, July, 2014. See: <https://www.brandonu.ca/rdi/files/2014/09/Non-Metro-Employment-Patterns.pdf>

19. Manitoba Trade and Investment, 2015. State of agriculture in Manitoba. Winnipeg, MB.
See: http://gov.mb.ca/agriculture/market-prices-and-statistics/yearbook-and-state-of-agriculture/pubs/state_of_ag_pubn.pdf
20. Ashton, W., Richards, G., Galatsanou, E., and Bollman, R. 2014. Food & beverage processing industry growth pathways to 2020. Brandon, M: Rural Development Institute.
See: <https://www.brandonu.ca/rdi/files/2011/02/RDI-Food-Processing-Report-2014.pdf>
21. Bollman, R., and Ashton, W. 2014. Aboriginal population. Brandon, MB: Rural Development Institute.
See: <https://www.brandonu.ca/rdi/files/2014/09/Aboriginal-Population1.pdf>

