

WHERE TO FROM HERE?

LOCAL ECONOMIC DEVELOPMENT
TRENDS, INSIGHTS, AND
IMPLICATIONS

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Community Futures Northeastern Ontario Conference

The logo of the University of Guelph, featuring the text "UNIVERSITY of GUELPH" in a serif font, with "UNIVERSITY" on the top line, "of" in a smaller font on the second line, and "GUELPH" on the third line.

UNIVERSITY
of GUELPH

My 'lens'

- University of Guelph
- Rural geographer by training
- Fascinated by rural change
- Small town Manitoba

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Libro Professorship

- \$1 million gift from Libro Credit Union and two rural families
 - Rural economic development
 - Community investment funds
 - Immigration/newcomers
 - Wealth and philanthropy
 - Workforce development
 - Rural policy evaluation
 - Place-based development

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The 'new' reality



INCREASED
MOBILITY



AGING
POPULATIONS



URBANIZATION



CLIMATE
CHANGE



TECHNOLOGY



PLACE

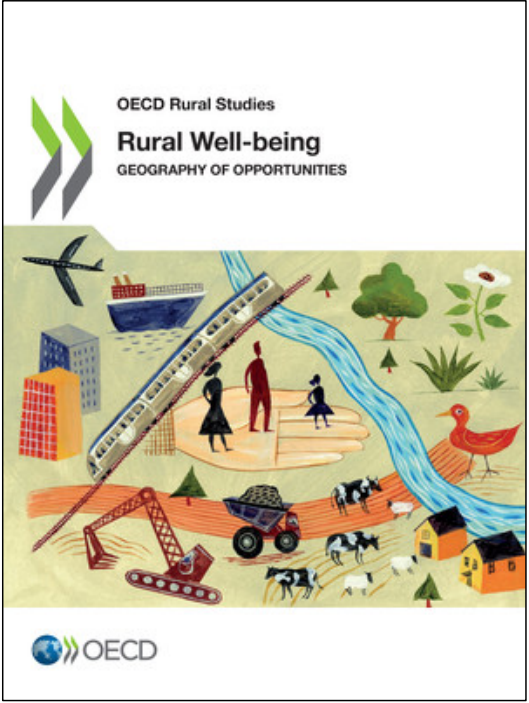



PARTNERSHIPS



CHANGE

Type	Challenges	Opportunities
Rural inside metropolitan areas	<ul style="list-style-type: none"> urban encroachment and competition over land use activities concentrate in the urban core loss of rural identity 	<ul style="list-style-type: none"> access to a large and complex market potential to capture benefits of urban areas while avoiding the negatives
Rural outside, but in close proximity to metropolitan	<ul style="list-style-type: none"> conflicts between new residents and locals may be too far away for some firms, but too close for others 	<ul style="list-style-type: none"> potential to attract high-income households seeking a high quality of life relatively easy access to advanced services and urban culture good access to transport
Rural remote	<ul style="list-style-type: none"> highly specialised economies subject to booms and busts limited connectivity and large distances between settlements high per capita costs of services 	<ul style="list-style-type: none"> absolute advantage in production of natural resource-based outputs attractive for firms that need access to an urban area, but not on a daily basis can offer unique environments that can be attractive to firms and individuals



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BIG questions

- Have the fundamental principles of local economic development changed?
- How do 'we' support small towns and their economies?
 - Do we need to change how we support, grow, and thinking about local economic development?

GOOD NEWS

- 1 GROWTH IN MOST SMALL TOWNS
- 2 17% OF THE NATIONAL POPULATION
- 3 INCREASE IN IMMIGRANT ATTRACTION
- 4 GDP CONTRIBUTION EXCEEDS SHARE OF POPULATION

NOT SO GOOD NEWS

1

GOOD NEWS IS
GEOGRAPHICALLY
UNEVEN

3

SMALL TOWN
ECONOMIES MORE
INTENSIVE, SEASONAL

2

URBAN POPULATION
GROWING MUCH
FASTER

4

CREATIVE
DESTRUCTION

Creative destruction

Table.3. Share of employment in regions by productivity and employment performance by type of TL3 region, 2000-2016 and 2008-2016

Share of employment in regions with:	Lower density with access to metropolitan		Non-Metropolitan with access to a small/medium city		Remote	
	2000-2016	2008-2016	2000-2016	2008-2016	2000-2016	2008-2016
Productivity and employment growth	62%	36%	59%	37%	49%	31%
Productivity growth and employment decline	22%	30%	20%	33%	30%	32%

Note: Productivity calculated as GVA over employment. Based on regions with available data.

Source: (OECD, 2019^[4]) OECD Regional Statistics (database), <http://dx.doi.org/10.1787/region-data-en>

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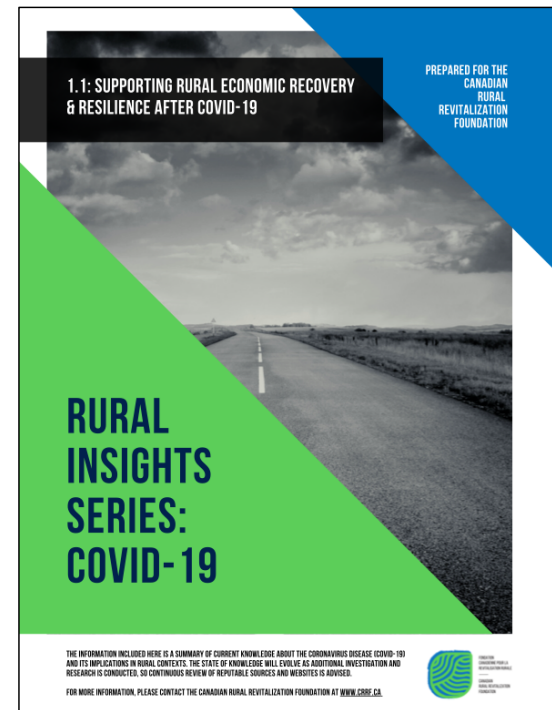
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COVID-19 Impacts

From past downturns ...

- Impacts different in each community
- Industry support does not always equal community benefits
- Shovel-ready initiatives may dig deeper holes
- Struggle for local governments to maintain infrastructure and services


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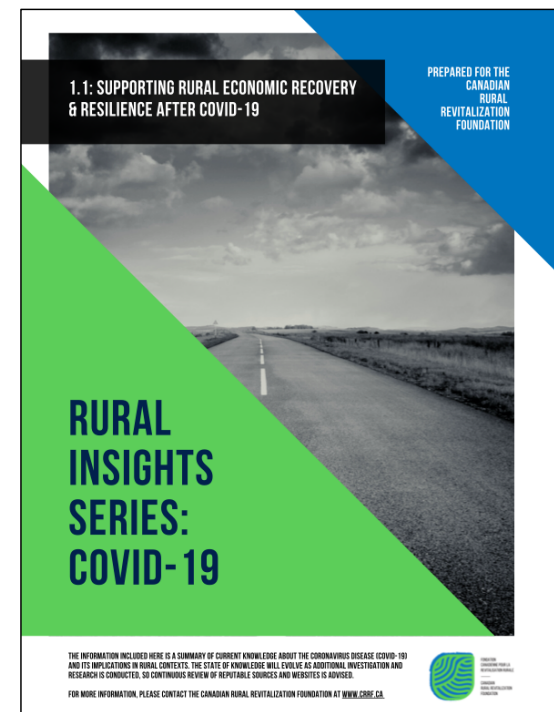


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COVID-19 Impacts

- Federal and provincial governments don't have their 'boots on the ground'
- Access to capital
- Need for infrastructure investments
 - broadband
- Rural and northern data gaps
- Voluntary and nonprofit organizations often carrying larger role
- Existing inequalities further exposed – gender, Indigenous peoples, immigrants/newcomers, people of colour

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**CURRENT RESEARCH
ACTIVITIES &
IMPLICATIONS**

Building the Future

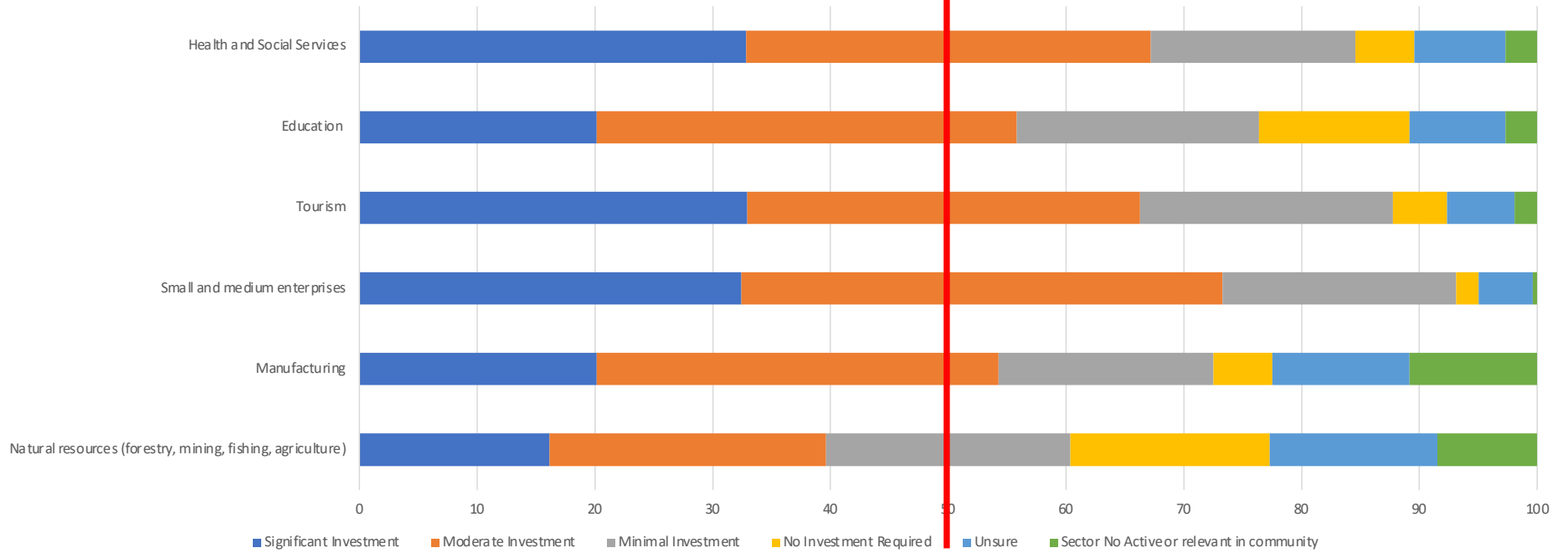
- examine how rural communities vary in their capacity to respond to infrastructure pressures;
- investigate how those varying capacities affect short- and long-term economic development;
- provide insights on how to develop infrastructure policy, programming, and investments to build rural community capacity and support economic development


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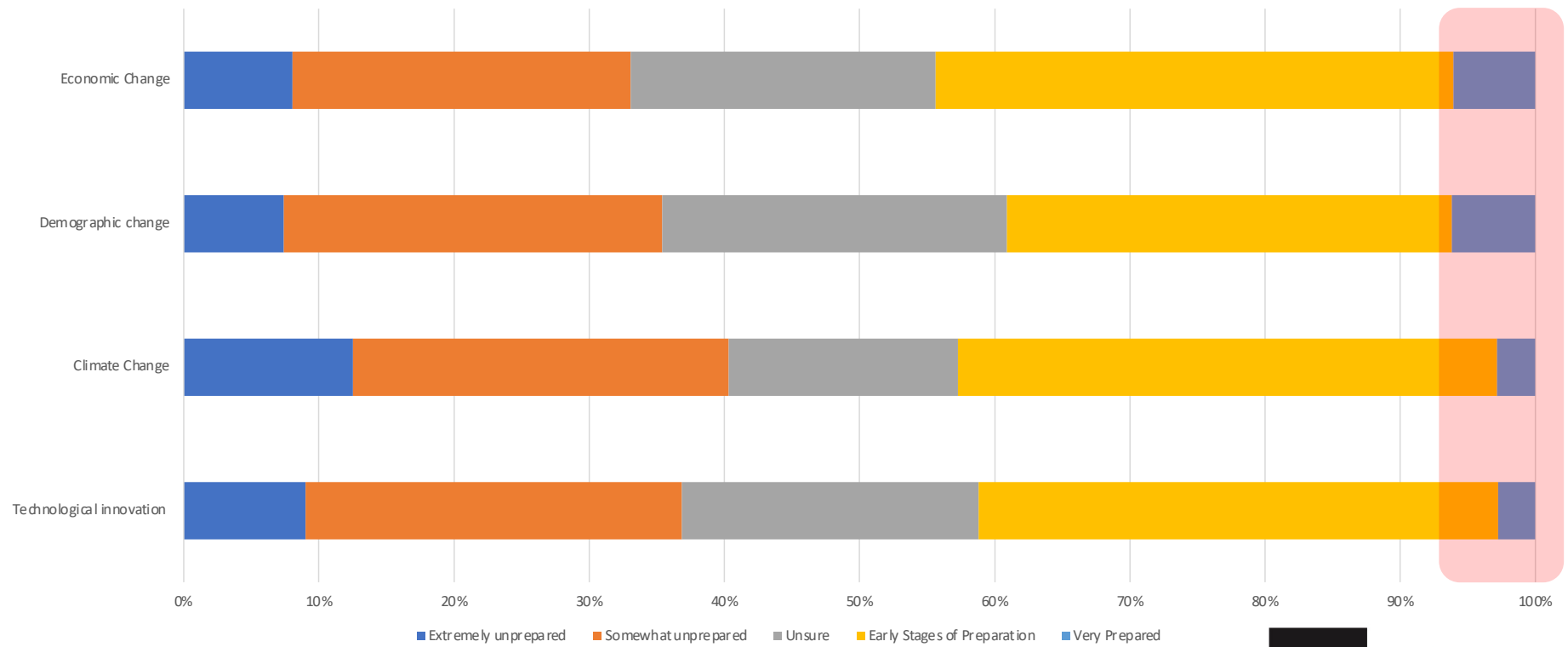
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Sectors Requiring Immediate Infrastructure Investment to Meet Current and Future Demands

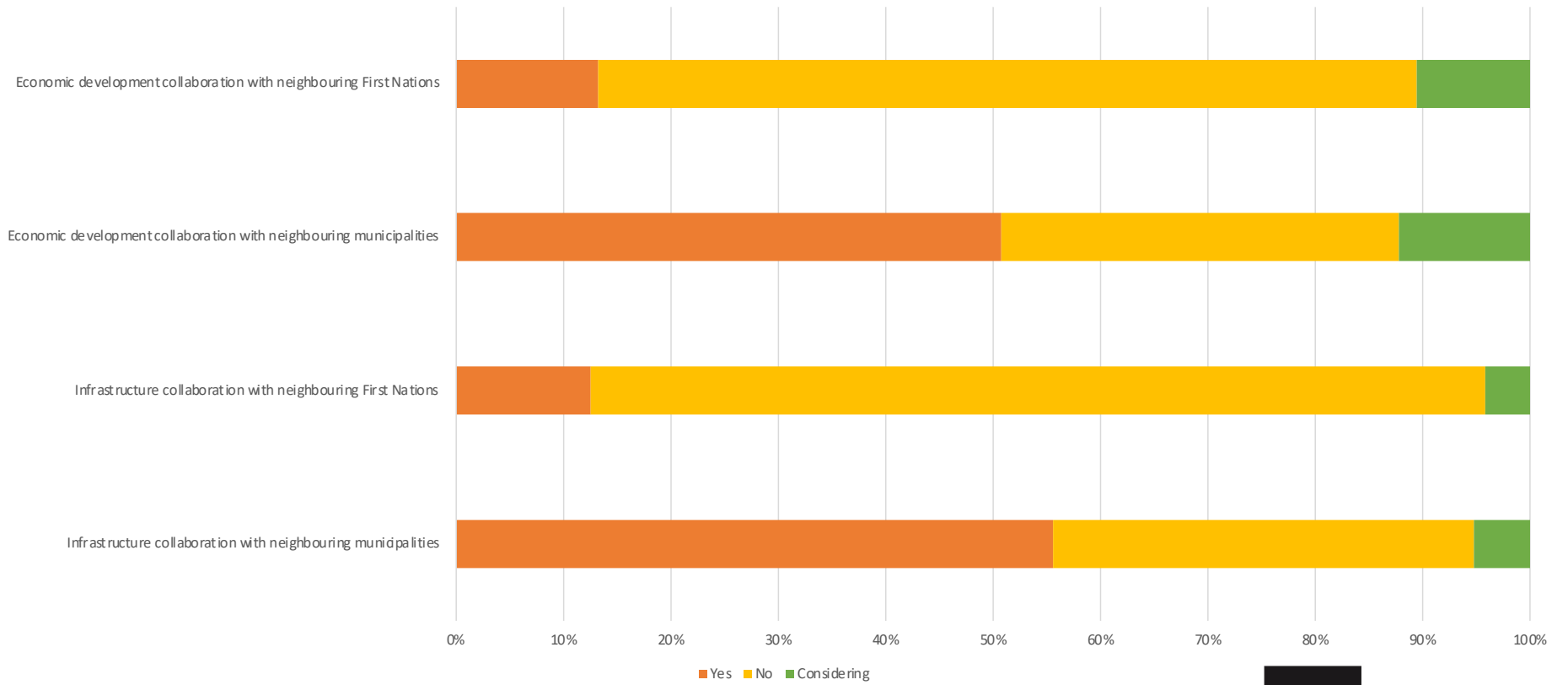



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How Prepared is Your Community to Address Long-Range Challenges



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Community Investment Programs

- Community Investment Funds (CIFs) or Community Economic Development Investment Funds (CEDIFs)
- Provincially regulated investments to increase local economic investment
- Provincial tax credits to encourage investment
- Available in NS, NB, PEI, QC, MB, BC

	Year Created	Tax Incentive	Refundable Tax Credit?	Investment Limits	Minimum Investment Length	RRSP-eligible investment?
Nova Scotia (CEDIF)	1999	35% tax credit	No	Up to \$50,000	5 years	Yes
New Brunswick (CEDC)	2014	50% for individuals 15% for corps	No	\$1,000-\$250,000 for individuals; \$1,000-\$50,000 for corporations	4 years	Yes
PEI (CEDB)	2011	35% tax credit	No	Up to \$20,000	5 years	Yes
Alberta (CEDCTC)	2018	30% tax credit	For individuals, not corporations	Up to \$200,000	5 years	Yes
Manitoba (CEDTC)	2004	45% tax credit	Yes	Up to \$60,000; tax credit must be under 10% of total available	3 years	Yes
BC (SBVCTC)	1985	30% tax credit	For individuals, not corporations	Up to \$400,000	5 years	Yes



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Employment & Workforce Development

- How are immigration programs being utilized by rural communities to address workforce and labour planning?
 - What knowledge is needed?
- Relationship between foreign labour and agricultural industry
- New initiative focused on the impacts of COVID-19 on agricultural producers, foreign workers, and rural communities

Level and change in employment in larger urban centres (LUC) and in rural and small town (RST) areas, Canada and Provinces, February to September, 2020

Province	Area ¹	Number employed (,000)								Percent change (difference of logs):														
										From month to month							Compared to same month in previous year							
		Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Feb to Mar	Mar to Apr	Apr to May	May to Jun	Jun to Jul	Jul to Aug	Aug to Sep	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Canada	All areas	18,917	17,857	16,011	16,632	17,778	18,070	18,290	18,565	-5.8	-10.9	3.8	6.7	1.6	1.2	1.5	1.4	-4.4	-16.3	-14.6	-8.7	-6.5	-5.5	-3.6
	LUC	16,358	15,377	13,835	14,296	15,276	15,546	15,753	16,011	-6.2	-10.6	3.3	6.6	1.8	1.3	1.6	1.7	-4.5	-16.2	-14.6	-8.6	-6.2	-5.1	-3.2
	RST	2,559	2,480	2,177	2,336	2,502	2,523	2,537	2,554	-3.2	-13.0	7.1	6.9	0.8	0.5	0.7	-1.1	-4.1	-17.1	-14.4	-9.2	-8.3	-7.7	-6.2
Ontario	All areas	7,467	7,030	6,409	6,457	6,883	6,991	7,136	7,252	-6.0	-9.2	0.7	6.4	1.6	2.1	1.6	2.3	-3.3	-13.8	-15.2	-9.2	-7.2	-5.8	-3.8
	LUC	6,855	6,408	5,843	5,876	6,257	6,358	6,493	6,601	-6.7	-9.2	0.6	6.3	1.6	2.1	1.6	2.6	-3.8	-14.1	-15.5	-9.6	-7.6	-6.3	-4.4
	RST	612	622	566	581	626	634	643	651	1.7	-9.5	2.5	7.6	1.1	1.5	1.3	-1.1	2.2	-10.6	-12.0	-5.1	-2.7	-0.6	2.5

- Working women are more affected with reduced employment irrespective of age group and type of spatial area
- Youth, younger rural workers, and senior workers experienced the most significant employment impact during the recovery period
- Rural jobs recovered during COVID19 may not be of the same quality as pre-COVID times

Place-Based Endowments

- How are place-based collective endowments being used to re-embed financial capital in rural and northern communities?
- How can public policy facilitate the use of place-based collective endowments in rural and northern communities to enhance regional sustainability?
- How does the use of philanthropy in rural and northern communities modify our understanding of economic and local development processes?

Primers

**Trends in
Rural
Philanthropy**

**Transfer
of
Wealth**


**Rural
Philanthropy
in Indigenous
Communities**

**Impact
Investing**

**EMERGING TRENDS IN
CANADIAN GOVERNMENT
POLICY AND PROGRAMS**

Emerging Themes in Policy and Practice

- New language, old metrics
- Revising a lens to 'check' on actions
- Hard to do evidence-based decisions without evidence
- 'Hot potato' continues for small town issues
- Austerity follows big spending

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Big Questions

- Have the fundamental principles of local economic development changed?
 - Principles of 'good' LED largely stayed the same: capacity building, access to financial capital, focus on place and assets, collaborative strategies, experiment and evaluate
- Do we need to change how we support, grow, and thinking about local economic development?
 - Absolutely – dynamics continue to change and so do our approaches
 - Reconciliation, equality, diversity, and inclusion
 - New pressures on local economies
 - New technologies, creative destruction
 - New markets

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