

RURAL AND REMOTE CANADA? FAR OUT

David M. Brock

Successful 21st-century economies require creativity. How will rural and remote Canada fare in the creative age? A prominent report portrays rural economic collapse as inevitable. David Brock disagrees, and argues that rural communities are sustainable, not in spite of the creative economy, but because of it. There are rural corridors full of tolerant and talented people, teeming with cultural diversity and innovative minds. Brock proposes viable policy options for rural and remote communities as he explores a leading contender for rural prosperity in the creative age, the Mackenzie Corridor of the Northwest Territories.

Les économies prospères du XXI^e siècle reposeront sur la créativité. Mais comment les régions rurales et isolées du Canada tireront-elles leur épingle du jeu en cet âge de créativité ? Très mal, pronostique un important rapport, qui juge leur déclin économique inévitable. Au contraire, affirme David Brock, pour qui ces collectivités assureront précisément leur viabilité en misant sur une économie plus créative. Déjà, certaines d'entre elles comptent de nombreux citoyens tolérants et talentueux qui sont sensibilisés à la diversité culturelle et acceptent les idées novatrices. Dans les Territoires du Nord-Ouest, par exemple, où le corridor du Mackenzie figure parmi les régions isolées les plus prometteuses du pays. L'auteur en a exploré le potentiel et propose des possibilités d'action applicables à toutes nos collectivités rurales et éloignées.

Canada is moving toward a creative economy. This trajectory was convincingly illustrated most recently in *Ontario in the Creative Age*, a report written by the Martin Prosperity Institute for the government of Ontario. In many ways, it builds upon ideas previously set forth by one of the report's co-authors, Richard Florida (author of *Who's Your City?* and *The Rise of the Creative Class*).

The creative economy thesis is this: successful 21st-century economies require diverse clusters of tolerant individuals who possess high levels of analytical and social skill, and are supported by a high speed physical and technological infrastructure. Geographic corridors that do not have the foresight to enable, attract and replenish skilful workers will not prosper.

Florida argues that the world is not flat — as Thomas Friedman famously hypothesized — but rather that it is spiky. He draws this conclusion from the observation that global opportunities for prosperity are not levelling off, but rather are concentrating in major corridors such as Vancouver-Seattle or Bangalore-Hyderabad. As megalopolises surge, outlying areas languish. The prosperity gap is thus increasingly exacerbated by a simple geographic divide: urban versus rural.

Where will this leave rural and remote Canada?

The Martin Prosperity Institute tells the roughly 1.5 million Ontarians who live in rural places that their slower, non-metropolitan way of life does not offer benefit to enough creative workers to allow for rural sustainability.

I disagree. Rural communities are sustainable. That is because creative people already live there. The people who are born in, work in and retire in rural communities have an abundance of creativity to market. What is required is creative public policy that supports 21st-century rural economies. Rural communities can be sustainable, not in spite of the creative economy, but because of the creative economy.

There is a catch. Rural prosperity can happen only in regions where tolerance and talent are found. If residents are tolerant and talented, then economic potential can be maximized by designing public policies that support not only resource exports, the traditional generator of rural progress, but also strengthened markets for local exchange. In the course of exploring these policy options, I propose a leading contender for rural prosperity in the creative age: the Mackenzie Corridor of the Northwest Territories. First, it

may be necessary to remind readers why rural regions still matter.

Approximately six million Canadians live in rural Canada. This figure has remained stable for nearly three decades. However, the relative population of rural Canadians is in decline. Urban inhabitants are increasing at a rate greater than five times

phrase of the Supreme Court of Canada, communities of interest — take precedence when electoral maps are (re)drawn. As a result, rural Canadians are well represented in the federal Parliament as well as in provincial and territorial legislatures. And political parties know this.

Electoral influence is not the only reason why rural Canada matters.

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that of non-urban residents. This relative population decline is being caused by the migration of young Canadians toward dynamic urban centres and the almost exclusive choice of new Canadians to live in major cities.

Given that young people and new immigrants often bring much of the creativity that inspires modern economic growth, rural demographic trends may seem irreversible. Some now dismiss rural living and economic prosperity as mutually exclusive options. Such a dismissal would be lamentable. There are sound political and economic reasons to examine the potential for rural Canada to thrive.

Michael Ignatieff, leader of the Liberal Party, has called the widening urban-rural schism “a matter of national unity.” One-fifth of the Canadian population lives in rural communities. This is a segment of society too large to dismiss. Moreover, the structure of Canada’s single-member-plurality electoral system provides enhanced representation for rural citizens. The principle of one person, one vote is subservient to the deeply rooted three Rs of Canadian politics: region, race and religion. Regional balance, historical compromise and geography — or, to use the

When Prime Minister Harper speaks of this country as an energy superpower, he is not talking about the motivation of millions of city-dwelling lawyers, massage therapists and radiologists to get up each morning and innovate. He is talking about staples. Canada’s urban core — no matter how creative — is still dependent upon raw materials: hydrocarbons, wood, grain, iron ore and hydro-electricity. These are resources found in the hinterland, where rural Canadians live.

Political power and resource abundance may be convincing reasons as to why Canada’s rural economy deserves attention, but one should not rely too heavily or for too long upon these arguments. If rural populations continue in relative decline, inevitably, political power will erode. At the same time, rural economies that are too deeply dependent upon natural resources inescapably risk exposure to commodity price fluctuations and non-renewable resource limits.

To avoid being overwhelmed by the creative age, policy leaders in rural regions must shift the economic policy balance so that import substitutes, purchased using resource rev-

enues, are less of a requirement for smaller communities. Residents of rural and remote communities will be less dependent upon barge shipments, trucked-in goods and plane loads if policy is designed to promote local goods that are produced using existing knowledge and creativity. Undertaking a deeper examination of a single rural region might better help us understand why and how this balance is possible.

Choose your place of residence very carefully, advises Richard Florida, in his book *Who’s Your City?* He argues that location is one of the most crucial determinants of well-being. This is especially true, so he tells us, for young people who have just completed their studies and are looking for a community where they might begin a career and family.

I have just finished my studies. My fiancée and I have chosen to settle in Yellowknife, Northwest Territories. We made this choice with the creative economy in mind.

Economic forecasts for the Northwest Territories mostly focus upon natural resource potential. Diamond mines, oil and gas reserves, hydro-electricity, minerals such as tungsten and uranium, and forestry products, are all staples that attract major investments and migrant workers. Less attention is paid to the territory’s social capital and creative potential.

The Northwest Territories may be both rural and remote, but here exists a cluster of communities heaving with creative talent. Let’s call this cluster the Mackenzie Corridor. Starting with the communities around Great Slave Lake, including Yellowknife, the Mackenzie Corridor runs north along the Mackenzie River and its delta, passing through towns such as Norman Wells, and arriving at Inuvik and Tuktoyaktuk on the Beaufort Sea.

In order for the Mackenzie Corridor to prosper, two broad condi-

tions must be satisfied. First, prosperity in the creative age is preconditioned upon the existence of tolerance and talent. Second, rural prosperity in the creative age will be enabled by public policy that promotes local markets for the exchange of goods and services produced using existing creativity.

All agree that tolerance is a precondition for prosperity. One signal of tolerance is a welcoming atmosphere for newcomers. We have experienced the welcoming atmosphere of the Mackenzie Corridor first-hand. We have been invited to dinner tables, offered advice and stories, and consistently asked how we like our new community. This welcoming spirit extends beyond colloquial gestures. Attracting newcomers is frequently emphasized by NWT political leaders as a policy objective. Michael Miltenberger, the territorial minister of finance, again emphasized the importance of attracting new residents during his 2009 territorial budget speech.

Tolerance also requires people of different cultures to accept one another. Northern people are often described as being either Aboriginal or non-Aboriginal, but this dichotomy fails to reflect the true diversity of the North. The Mackenzie Corridor is home to Inuvialuit and various Dene and Métis peoples (e.g., Gwich'in, Sahtu, Dehcho), as well as those with cultural roots that are, among others, French, English, Chinese, Filipino and Caribbean. Further still, there may be no better representation of Canadians from all provinces and territories than is found in the Mackenzie Corridor.

The Mackenzie Corridor is a place where people of diverse cultures must work together. The success of co-management boards, safety in the mines and cooperation in our consensus-style legislature depend upon high levels of tolerance. The Mackenzie Corridor may not be as multicultural as Toronto, but that

does not diminish the exceptional tolerance found here.

Tolerance of other people and trust between diverse groups is enhanced where communities feel secure and confident. The security of Aboriginal peoples is enhanced where land claims negotiations are complete and implementation obligations are met. Although the implementation of Aboriginal-state agreements could be improved, the number of settled land claims in the Mackenzie Corridor is a signal of progress. As a result of these historic developments, some refer to territorial politics as balkanized. This is inaccurate. Diversity does not necessarily mean disruption and conflict.

When groups are confident that their rights will be protected, they are more comfortable investing in the talent of their people. Meanwhile, individuals who are confident in their cultural heritage are more likely to pursue their talents. The Mackenzie Corridor is home to 11 official languages. Language diversity automatically increases the creativity quotient. With each language comes a distinct way of viewing the world and solving problems.

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who possess talents in art, musical expression, theology, food preparation, harvesting, land management, navigation, design, leadership, negotiation, social support and decision-making.

Where tolerance levels are high and individuals feel secure in exploring their talents, communities are well positioned to prosper in the creative age. Creative public policy is then required to enable prosperity.

Past economic policy for the Mackenzie Corridor has largely been rooted in export base theory. This is not surprising given the considerable revenue potential yielded by resource exports and the general orthodoxy of this theory in North America. Export base theory holds that regions other than one's own are better at producing particular goods and services, and thus in order to attain those goods and services, one's region needs to specialize in certain exports in order to pay for imports. At the same time, exporters try to maximize natural resource revenues by encouraging local manufacturing and secondary processing. Export base policy has been particularly attractive in the North, where manufacturing and agricultural production are low, and import demand is high.

However, many of the jobs found in export base economies are not those of the creative economy. As Canada shifts toward a creative economy, export base jobs may be less attractive. Export economies often demand labourers who perform routine physical occupations, such as heavy-machinery operators or roofers. The creative economy demands workers with high analytical or social skills.

The Mackenzie Corridor is rich with people who possess talents that lend themselves well to creative markets. These talents need not necessarily be marketed for export. Talent can be sold locally. The Mackenzie Corridor can seize a creative advantage by striking an optimal balance between export base theory and consumption base theory.

Consumption base theory holds that regional economic growth

results from local economic production sold to local residents. This theory is premised, in part, upon reshaping local consumption toward buy-local strategies and by making local purchase options most attractive. Growing adherence to this theory is reflected in the recent resurgence of farmers' markets and the spread of the slow-food movement. Local consumption is also the

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idea at the heart of micro-financing. The goal of a consumption base economy is not to export as much as possible, but to expand the number and diversity of businesses within an area. This can create a positive feedback loop, whereby expansion attracts newcomers, which leads to higher levels of tolerance and talent, which enables more creativity, thus causing further expansion. Consumption base economies are tailored more toward creative occupations that will, on average, allow for increased earnings, improved job security and perhaps even higher levels of job satisfaction.

Some might argue that local markets are too small for potential entrepreneurs to substantiate risk, or that potential tax revenues are too small for governments to justify public investment. Entrepreneurial risk is substantially reduced where one is employing knowledge, creativity and resources that are already immediately available. For those wanting to access markets beyond immediate community boundaries, government can help facilitate the movement of goods and services between communities within the corridor.

Infrastructure and transportation policy must then be carefully designed to facilitate exports from the region as well as trade within the region. Government benefits by having more citizens marketing their talents and creativity, rather than waiting for the next mine to open or layoff to end.

The Mackenzie Corridor already benefits from some consumption base

policies. For example, the NWT Entrepreneurs and Economic Development Policy supports micro-businesses pursuing traditional or creative endeavours, business intelligence and networking, product development and asset acquisition. It is no coincidence that a rise in the political autonomy of the Northwest Territories is leading toward a corresponding rise in economic policy that balances export generation with strengthened local markets. The people who live in the territory — and thus should hold jurisdiction over social policy as well as land and resource policy — view the Mackenzie Corridor as centre, not periphery.

A road to resources must not bypass the creative potential of the communities along the way. Along the Mackenzie Highway are lakes stocked with some of the freshest fish in the world, plains nourishing the lean meat of the bison and tundra thundering with caribou that provide tasty smoked ribs. It is not difficult to imagine stores, restaurants and lodges up and down the Mackenzie Corridor selling nutritious local foods prepared by local people who already possess the creativity to make succulent dishes.

Fewer demands for import substitutes are but one benefit. A creative economy attracts migrants who see economic potential in local assets. One who has dined at L'Heritage in Yellowknife knows how beneficial this combination can be: think muskox scallopini. This line of reasoning extends beyond food products to literature, tools, recreational activities and solutions for social problems.

Government can support rural economic success in the creative age by facilitating social networks, offering safe and secure public spaces for trade, loaning small businesses start-up funds, promoting communities as centres of creativity, welcoming as many newcomers as possible

from a wide diversity of cultures and constructing innovative and competitive tax incentives for businesses in any sector that encourage their workers to be creative.

Canada's rural and remote communities need not fear the creative economy — they should embrace it. Where policy leaders shift the economic balance from resource exports to vibrant local markets, the image of the rural worker begins to change from one who is physically robust to one who is creatively talented. A change in rural image may encourage creative workers — the ones who do not already reside in rural areas — to choose rural and remote communities as their homes. Witness the international success of Igloolik's Arcticq or Dawson City's music scene. After all, other benefits of rural living — access to nature, fewer adherences to formal rules, cheaper housing prices and respect for self-sufficiency — offer one element that all creative workers seek: freedom.

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