

6.1 Constructing rural places in a globalised world: Place-based rural development as seen from northern British Columbia, Canada

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Introduction

Rural and small town places around the world are experiencing dramatic change. These changes are driven by the increasing pace and complexity of the global economy. With a focus upon examples from northern British Columbia, Canada, this chapter reviews issues of rural change and the transition towards a more place-based approach to local and regional development as rural and small town places reposition themselves in the global economy.

Restructuring Toward the New Rural Economy

Historically, after the Second World War in most OECD countries, natural resources industries experienced a significant boom. An industrial landscape was emerging such that humanity had never seen before. It had to be supplied with resources on a massive scale: food, wood, mineral products, and energy products. This economic activity supported small places because they were labour intensive, and the post-war re-settlements ensured that there were lots of workers with good wages to help keep local economies moving along. But more importantly, government understood that to have those industries working in more remote places, the workers needed to want to be there. As a result, the state invested heavily in health care, services, and infrastructure to create the 1960s and 1970s version of a good quality of life. The restructuring that occurred economically and politically after the 1980s and 1990s has changed these basic circumstances.

The source of the accelerated change being experienced by rural and small town places today is driven by the global economy. Today, the global economy is more connected and complex than at any time in the past. New transportation, communication, and information technologies



allow the economy to work at a faster pace than at any time previously. Recent economic booms and the global economic recession beginning in 2008 highlight the pace at which those changes can occur and the extent of their impact.

As rural and small town places experience change in the global economy, there are a series of generalised pressures underway. First, industry is global in scope, and rural and small town places must compete not only for economic development, but also for shares of the jobs and benefits that may come from that development. Second, traditional industries and activities are caught up in a more general process of shifting production to lower-cost production regions. OECD rural economies are increasingly sites where commodity economies are transitioning to include a mix of commodities, economies, and values that draw upon local amenities and unique assets. In this sense, the new rural economy is very much bound up within the global economy. In order to react, rural and small town places need to have a vision for where they wish to go. They need to be aware of their assets and how these might mesh with their aspirations.

In response to these general pressures, restructuring of industrial resource activities has dramatically affected rural community viability. This has been exacerbated by government and private sector service cutbacks that reinforce reciprocal processes of decline. In other cases, a lack of investment in needed social and physical infrastructure limits the ability of rural and small town places to react to restructuring. Lastly, environmental change now presents a new suite of challenges for rural and small town places.

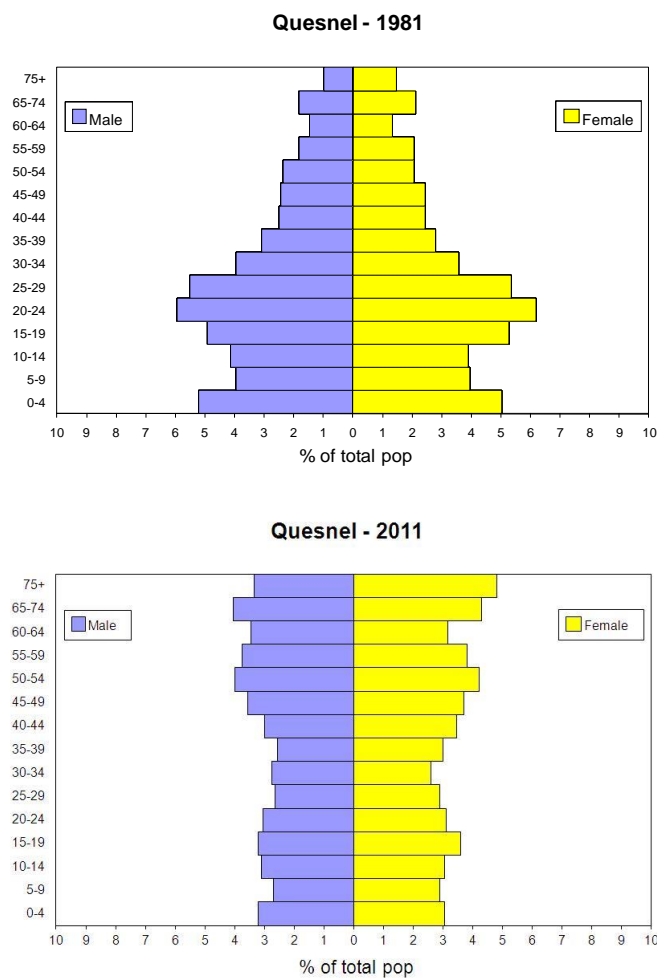
If those challenges were not significant enough, there are also pressures on our capacity to respond as small places. By definition small places are small. They have limited fiscal resources, and do not have access to a broad range of human capacity. In addition, central government has very often contracted, closing the services available in smaller places. When this happens, skilled people leave, taking with them not only their families and their spending power, but also their knowledge, skills, and capacity – and the community is drained further.

The impacts of industrial resource development, and subsequent industry and government restructuring as noted above is clearly evident in Quesnel, a community with a present population of approximately 10,000 people (2011), located in northern British Columbia (Figure



1). In 1981, Quesnel's population pyramid still resembles that of a booming industrial resource community. In this case, a large inflow of young families in search of employment opportunities is leading to population growth. By 2011, the workforce continues to "age-in-place", but limited new job opportunities now means that there is significant out-migration of youth (see also Ryser *et al.*, 2012; Hanlon and Halseth, 2005).

Figure 1
Population pyramids
Quesnel, BC



So how can small communities respond? They respond with who they are and what they have. Competitive advantage now is driven by a host of new factors; including innovation, learning,



quality education, good institutions, and the capacity to manage the assets of place. All of the traditional variables of comparative advantage are still necessary, e.g. good infrastructure, appropriate location, and economic support. Now, however, communities and regions require social capital and social cohesion to identify and leverage the factors of competitive advantage. How rural and small town places respond to change and leverage their unique assets and amenities will influence their success in the new economy.

Place-Based Development

From the previous section, it has become apparent that in today's global economy the notion of space or distance has become less important in the locational decisions of capital. Capital can locate virtually anywhere. As a result, decisions about where it will locate depend even more on the characteristics and unique attributes of individual places. In shorthand, as space has become less important in the global economy, place has become more important. Places serve as the meeting points for both global and local institutions. Places are equipped with unique sets of assets and characteristics. They are also embedded in social, economic, and political systems (Massey, 1984; Markey *et al.*, 2012).

The literature on place-based development highlights that while an economic focus remains, there is now greater consideration of local environmental, cultural, and community issues (Savoie, 1997; Porter, 2000 2004; Pezzini, 2001). Coincidentally, these latter three issues are now increasingly sought-after assets in the global community. A place-based focus also supports a greater diversity of values (and understanding of values) in both social and economic development. In other words, there is a potential appreciation for a more comprehensive or "whole" economy that had been previously externalised in the more narrow "space-based" interpretation of hinterland resource exploitation.

But place-based development demands more of local capacity (Bryant, 1995). Local actors and local institutions need to be reorganised and must take on additional and sometimes different roles. This local capacity must be accommodating of new relationships and new partnerships as efforts to seek out support and innovation. The outcome will create social and economic variability across rural landscapes. As we look forward, the question has become "how to equip



rural and small town places to exercise their place-based advantages and meet development opportunities or challenges on their own terms”.

Northern BC

Northern BC can be characterised as a resource periphery (Barnes and Hayter, 1997; Markey, *et al.*, 2012). It was recently industrialised (post-1950) using a model of industrial resource expansion. Today, the economy is still very much dependent upon limited-manufactured resource exports. It is situated within a provincial structure that shows strong metropolitan/non-metropolitan division. In this non-metropolitan north, the regional centre of Prince George dominates with a population of over 80,000 people. Most other communities are in the order of 3,000 to 20,000 people, and most of these have limited economic diversification.

In understanding the current transitions being experienced across northern BC, it is important to understand that this landscape is, at its foundation, a First Nations landscape. Prior to European colonial arrival, this landscape was fully occupied and organised territory (Harris, 1997). The First Nations within the region conducted legal, administrative, and trading alliances that moved goods and people over long distances. In many respects, that early economy was a global economy as it traded goods throughout the entire area of the Americas.

Beginning in the 1950s and moving through to the early 1970s, the British Columbia provincial government engaged in a coordinated public policy initiative to industrialise the province (British Columbia, 1943; Mitchell, 1983; Markey *et al.*, 2012). By leading with this broad and coordinated public policy approach, the initiative was also able to lever significant and complimentary private sector investment in both industrial and community sectors. Drawing upon the global economic model of the time, the province recognised that massive Fordist-style industrialisation would need inputs of large volumes of raw commodities. The success of this policy initiative created the “long boom” in British Columbia lasting until the early 1980s.

The scope and scale of this public policy initiative was significant. The principal lesson is that while our economic vision and model for the 21st century would be different from that used in the mid-20th century, the success of that early policy initiative was that it extended across



government and included every facet of public policy making. Today, by contrast, it is unfortunate that most solutions to address rural and small town transition are “one-shot” policies or programs delivered and/or abandoned over a relatively short time frame.

Theorising Rural Development Transition

To understand the differences between BC’s approach to rural development in the 1950s versus what is needed today, we need to draw upon some theoretical foundations. In the 1950s, British Columbia’s industrial resource development approach was built upon a notion of comparative advantage as its abundant resources were marketed into expanding industrial regions. Critical to mobilising rural resources was addressing the challenge of space. In BC, this involved critical infrastructure investments in roadways, rail lines, and ports that could link interior resource regions to markets. In addition, there was a need to create new resource extraction sites by building “instant” towns and growing regional centres (Halseth and Sullivan, 2002). These instant towns required extensive social, service, and quality of life investments in order to attract and hold an industrial workforce.

Following decades of success with relative growth, the space-based comparative advantage economy encountered the crisis of global economic recession at the start of the 1980s. Resource industry responses to that crisis of restructuring involved reducing costs. Primarily, this focused upon a substitution of capital for labour and putting a price squeeze on independent contractors and suppliers. Throughout the 1990s, there was a focus upon “the core business” of industrial resource companies, and this involved selling additional assets and activities to focus on short-term investor benefits instead of long-term investor fortunes (Edenhoffer and Hayter, 2013). Some firms active in BC also began extensive investments in low-cost investment regions themselves. In many regards, this might be seen as the latter stages of an industrial model designed to “run down the asset” already fixed in place.

The provincial government similarly had a public policy response to the crisis of restructuring. In many cases, this involved sacrificing public policy to support continued industrial profitability (and to a degree, labour employment) in order to maintain provincial tax revenue flows. Successive governments adjusted policy to allow large firms to remain competitive while little attention was paid to rural economic diversification, maintenance of service provision, or the



construction of well-rounded community development foundations in order to support a flexible approach to future economies (Halseth, 2005; Markey *et al.*, 2009). Finally, the provincial government continues to view non-metropolitan BC as a “resource bank” that can be seen as a base for provincial economic benefit.

The focus in the debate is about how to renew public policy to provide a supportive environment to equip rural and small town places to compete. This underscores the earlier question about how to equip rural and small town places to exercise their place-based advantages to meet development opportunities or challenges on their own terms.

A Renewed Vision for Rural Development in Northern BC

From 2002 to 2004, and from 2009 to 2011, the Community Development Institute at UNBC conducted an extensive series of consultations across northern BC. We asked those people and communities most affected by the impacts of economic restructuring and neoliberal policies: “If you were to design a vision and strategy for renewal, how would you do it?” The results of that identified a future for northern BC which involves moving “from northern strength to northern strength” (<http://www.unbc.ca/cdi/research.html>). It is an economic transition about moving from resource dependence to a diversified economy grounded in resources and inclusive of other options. In economic terms, it is about rebundling our economic assets in innovative ways.

But the people of northern BC also put some parameters on that future development. The first was the identification of *four* bottom lines against which economic development needs to be evaluated. These bottom lines included community, economy, environment, and culture. In addition, they want economic development that not only creates jobs for northerners but respects the people, the environment, and the quality of life that defines the northern lifestyle. While investments can come and go in the global economy, these communities are rooted in place.

In approaching that new northern development, the people in northern BC argue that it requires a northern vision that is inclusive of all northern peoples. It also requires new governance mechanisms that allow communities to become part of decision-making processes,



and allows communities to work together as regions to coordinate and create synergies to ensure that limited funds are invested widely in needed infrastructure and services. They also argue for a regional “voice” in public policy and market debates.

To move that transition forward, the projects found arguments supporting investments in four crucial infrastructures. First, investments are needed in *physical* infrastructure. In this case, “old economy” infrastructure such as roads, rail, airport, and port facilities need to be renovated and made suitable for a 21st century economy. There also needs to be substantive investment in the “new economy” infrastructure of communications technology and information access. A second crucial infrastructure involved *human capacity*. This involved investments in the next workforce. A third critical infrastructure involved supporting *local community capacity*. In this case, it involved issues ranging from service provision to support for the voluntary groups and organisations increasingly involved in community development and community economic development. Finally, there was a need argued to coordinate both internally and externally our *economic and business infrastructure*. Included in this was the need for intelligent market surveillance and marketing to equip entrepreneurs and decision makers with the information they need to make decisions.

Moving Forward

The community development literature informs us that having a vision without the capacity to implement it is counterproductive. The vision itself becomes a hollow sentiment and the people involved in crafting the vision become disillusioned and less likely to participate in future development activities. The following two sections identify critical components that are necessary to implement a new vision for northern BC, 1) attention to local capacity and 2) new strategies and institutions for collaboration.

Local Capacity

Economic development practitioners have argued that we need to approach development differently. They have argued that there is a need to “reorient to readiness by understanding the role of the region in the world while also grounding our strategies in a real, in-depth, analysis of our local and regional assets and aspirations”



(<http://www.unbc.ca/cdi/research.html>, see also Markey *et al.*, 2008a 2008b). Reorienting to readiness involves being prepared for innovation at all times and building broad community development foundations for flexibility. Understanding our region in the world means taking a realistic competitive analysis of our assets in the global economy. Grounding our strategies means building a realistic understanding of our capacities, infrastructures, and opportunities, while discussion linking assets and aspirations involves an ongoing community development discourse as to where the community will go in a fast-paced global economy.

In understanding the local development process, we have identified three simplified elements to a strategic approach. The first involves identifying the foundations and background circumstances of the community and its goals. The second involves developing lists of options and possibilities, and creating a business case for those options and possibilities, while the third involves an implementation strategy that focused upon partnership development, long-term commitment, long-term funding, flexibility, and transparency of application. In northern BC, however, it is clear that most economic development occurs only with that middle element. Few economic development strategies seem rooted in a realistic analysis of place and few have long-term commitments to implementation funding and processes. To be resilient, flexible, and adaptive in a global economy means that rural development cannot remain “stuck in the middle” (Markey *et al.*, 2008b).

A point raised previously is the need to develop a broad community development foundation. This involves an orientation to readiness, inventories of assets, and investments in the economic, human, social, and natural capital of places. These need to be energised through a sense of vision for the place that marries aspirations with assets.

In summary, some of the principles for transition planning for rural and small town places include:

- getting ahead of the curve,
- finding ways for small places to “scale up” and work together at the regional level,
- creating a solid foundation of community development support,
- rebundling our economic assets in innovative ways,
- looking within existing community and resource assets for new economic opportunities,
- focusing upon niche targets within the global economy, and



- recognizing the need for continual innovation and responses.

Collaboration

As noted above, small places are challenged by their human resource base and their internal capacity. Therefore, effective community development and economic transition work all depends on talking and working with others (Morris, 2010). The benefits of collaboration are well known. We can do more together than separate, there are opportunities to draw from a wider skill set, and there are opportunities to connect with a wider set of networks and sources of information. The barriers to collaboration are also relatively well known; people get jealous, people want credit, it takes time, it is very hard work, and we often do not have the resources to do it.

The process of collaboration is not a mystery. We have to create a common base of understanding and sense of where we wish to go so that we can join together in a project or undertaking. We have to know our goals, so that we can focus and align our resources. More difficult than one person getting distracted is an entire group of people getting distracted. Collaboration is also about relationship building. This can be difficult, especially in cases where some of the key partners may change their people – such as local and senior government representation – on a fairly regular basis. Sometimes in relationship building our partners will change and time needs to be reinvested in the initial steps.

Collaboration looks and feels complex, but it is also simply about understanding our context; what are our assets and how do we wish to develop our community and economy. Our community is in a region and that region is in the world. Within that context, there are structures, groups, and organizations that can be brought into the collaboration. We need to bring the right people together, to be inclusive. We need to then bring in the information base so that everyone is working from a common understanding; thinking about the same issues. We have to manage our governance structure so that the right organizations are involved and they are sending the right people; people who can communicate and make decisions on behalf of the organization. We need leadership, but we need collaborative leadership. This is not about individuals driving action; it is about a team joined in a collective undertaking. And, as the global economy changes, our communities change too; and, as new generations come to



participate in community building, these collaborative relationships must have the capacity to endure.

Closing

This paper has examined the notion of constructing new rural places in a globalised economy. While the notion may be an old one for these places, the new global economy is about complexity and an accelerated pace of change. In response, a more place-based and rural/regional-based approach appears to be bearing fruit where applied. The circumstances of the northern BC example clearly illustrate that greater attention to place-based and regional development initiatives will support a potential for diversification and readiness that can reposition rural and small town places for success in the global economy.

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