

Too Rural For Our Own Good

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Commentary originally published in the June 2012 issue of the Nova Scotia Business Journal
June 2012



Nova Scotia has been dead last in Canada for most of the last 20 years in terms of economic growth as measured by GDP. GDP growth in 2012 in Nova Scotia is expected to be anemic and well below the rate of inflation. Sounds like “stagflation” to me.

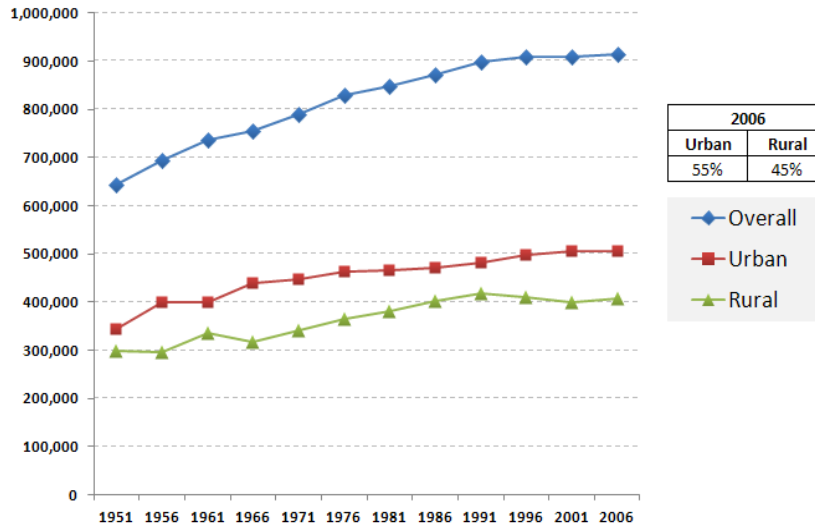
At least part of the reason for low economic growth is related to a much less urbanized population and a continuing reliance on seasonal work to a much greater extent than other parts of Canada. Certainly I do not advocate forcing people to move to other provinces to seek work. At the same time, relocation to the urban areas of the province should be encouraged to find permanent jobs, especially if those urban areas are close by.

Attempts by governments to keep people in areas that are not economically sustainable should be discouraged. Of course, individuals have the right to live wherever they want. They should not have the right, however, to be subsidized in that choice.

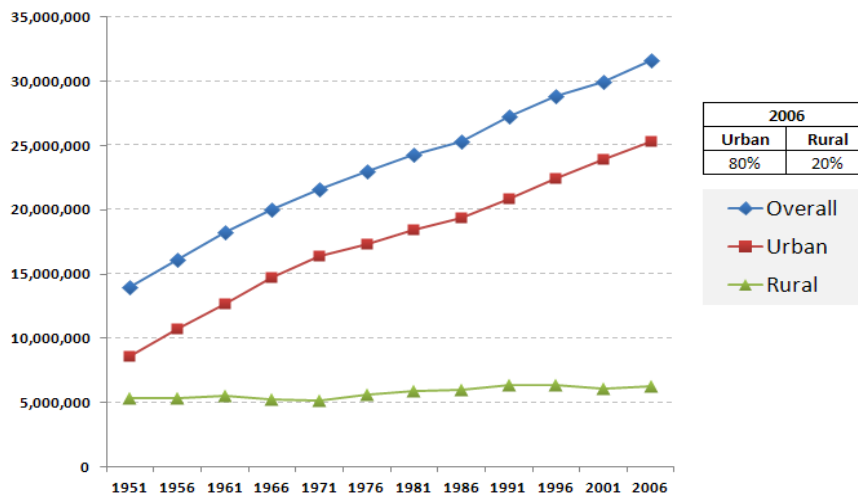
One of the most significant challenges to Nova Scotia, indeed the entire Atlantic region, is the disproportionate percentage of citizens living in rural communities relative to the rest of Canada. Rural communities, according to Statistics Canada, are those defined as having 5,000 or fewer residents. This may come as a surprise to many. Under this definition, most of our towns in Nova Scotia (Bridgewater, Kentville, Truro, Antigonish, Yarmouth, Amherst) would qualify as urban areas. For the most part, our towns are also stable economic centres, as well as highly desirable places to live.

Overall, in Canada, 80 per cent live in urban areas and only 20 per cent live in rural communities of less than 5,000 residents. In Nova Scotia, only 55 per cent of the population lives in urban communities, while 45 per cent (more than twice the national average) live in rural communities. [see charts]

Population Growth, Urban versus Rural, 1951-2006
Nova Scotia



Population Growth, Urban versus Rural, 1951-2006
Canada



What are the economic consequences of this large rural population? There is little question that it is much more difficult to generate long-term jobs and economic activity in rural areas of the province. It is also much more expensive to deliver public sector services like health and education. As well, there is a significantly higher dependence on seasonal work such as that provided by the forestry and fishery sectors in these rural communities.

To a large extent, the urbanization of Atlantic Canada has been artificially held back by government policies over the last 40 years that have attempted, without much success many would argue, to attract investment and jobs to these rural areas. The EI program, in particular, has been responsible for allowing and perpetuating systematic long-term unemployment among seasonal workers that has become a way of life for many living in rural communities throughout Atlantic Canada. I am amused by those that are quick to criticize the federal government's recent EI reforms as an attack on seasonal workers, as if seasonal work is what our province should aspire to. It seems to me that if our province is to grow, we need far fewer seasonal jobs and far more permanent jobs that might require workers to be closer to the urban areas in Nova Scotia than is currently the case.

Don Mills is the chairman and CEO of Corporate Research Associates Inc. and a well-known commentator on public affairs with significant experience in a variety of sectors including: tourism, financial services, telecommunications, transportation, lottery and gaming, utilities and public policy. You can follow Don on Twitter @DonMillsCRA or email dmills@cra.ca



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