

Big Heart, Big Talent, Big Future and Opportunity to Grow

Discussion Document

Rural Economic Development Strategy for Manitoba

January 2016

1.0 Introduction and Background

One of rural Manitoba's greatest charms is its wide open spaces, small towns and communities and the warm, welcoming people who choose to live in them. Manitoba is proud of its rural geography and is committed to ensuring that rural Manitoba remains vibrant and sustainable for future generations. A strong diverse economy, coupled with communities and regions that offer a unique lifestyle and are attractive to visitors and tourists from other parts of Manitoba, Canada and the world, is critical to meeting this commitment.

But the world is changing and rural Manitoba must change with it. There are many communities, economic development agencies, community foundations, provincial and federal government departments, businesses and their associations as well as dedicated individuals working to develop their economies in this rapidly moving world. It is recognized that bigger and better results could be achieved if everyone worked together toward a shared vision for rural Manitoba.

This discussion document is the culmination of the work of the Rural Economic Development Steering Committee. The Committee includes representatives of:

- The Association of Manitoba Municipalities
- The Manitoba Chambers of Commerce
- Economic Developers Association of Manitoba
- CDEM (Economic Development Council for Bilingual Municipalities)
- The Aboriginal community
- Rural Development Institute, Brandon University
- Western Economic Diversification (resource member)
- Rural business
- Community organizations
- Manitoba Government

It was developed and will be implemented using a collective impact planning methodology- a fundamentally different, more disciplined and higher performing approach based on a common agenda, shared measurement, mutually reinforcing activities and continuous communication within a structure that leverages the strengths of all parties. The draft strategy was informed by input from a wide range of stakeholders who completed surveys, participated in interviews and completed written submissions. It will guide future activities and provide a 'lens' through which policy and funding decisions will be made. The project was funded by the Manitoba Government and the strategy will be owned and implemented by the stakeholders.

2.0 Economic Development Defined

Beliefs about economic development have evolved significantly over the past few decades. While once considered to be only about the establishment of businesses and the resulting jobs, it is now widely accepted that there is a more complex 'ecosystem', requiring consideration and effort in the development of the social and environmental infrastructure of communities and regions.

The following definition of economic development was used in the creation of this draft strategy - *"sustained, concerted actions of policy makers and communities that promote the standard of living and economic health of a specific area. This may include development of human capital, critical infrastructure, regional competitiveness, social inclusion, health, safety and literacy."* There is widespread stakeholder support for a shared understanding of economic development and a clear, concise economic development strategy with a defined vision for rural Manitoba. Appendix A includes a visual representation of the scope and interdependencies.

3.0 Opportunities

With a population of approximately 475,000 or 37 per cent of Manitoba's population, rural Manitoba represents a significant component of the provincial population. For the purposes of this work, rural Manitoba is considered all areas exclusive of Winnipeg and northern Manitoba. Population changes as a result of natural balance (births minus deaths), and interprovincial, intra-provincial and international migration vary significantly across the regions of rural Manitoba. However, all regions have experienced positive net international migration and most experienced population growth by attracting residents from other parts of Manitoba.

Rural Manitoba has the advantages of both an older and younger population. While overall there has been youth out-migration, there has been a 5 per cent increase in young adults 25 to 29 years of age. As well, an older population is positive as these individuals form a strong volunteer base and are solid consumers supporting rural businesses. The migration of immigrants to rural Manitoba has enhanced the diversity of many of the regions. While approximately 17 per cent of Manitobans self-identify as indigenous, only 14 per cent identify as indigenous in rural Manitoba. Having said that, future projections indicate that in the next ten to twenty years, a much larger percentage of Manitoba's population will be Aboriginal. **Youth, immigrants and indigenous people are considered key to the future growth and vibrancy of rural Manitoba.**

There are currently approximately 12,000 businesses in rural Manitoba. Thirty-five per cent of Manitoba's total GDP is generated from outside of the Winnipeg region, contributing over \$16 billion to the provincial economy. Health care and social services provide the most numbers of jobs in Manitoba and rural Manitoba. Agriculture, forestry, fishing and hunting is the second largest industry followed by retail trade, manufacturing and construction. In the period from 2001 to 2014, rural Manitoba has experienced an average annual increase in the number of jobs of 1 per cent.

While it is important that rural Manitoba offers excellent health care and that social services are provided to those who need them, **it is understood that growth in private sector businesses and the resulting jobs is indicative of a strong economy.** Agriculture, forestry, fishing and hunting are major industries in rural Manitoba, despite job declines over the past few years. Some of this can be attributed to strong merger activity and advances in technology. In the period from 2001-2014, manufacturing jobs increased by 11 per cent.

Participants in the survey, administered as part of the consultation process, responded that manufacturing, agriculture and hospitality / tourism were the top three priority industries for rural economic development. Many believe that an increased focus on manufacturing opportunities within the resource sector creates great opportunity. However, there is not sufficient information and data or comprehensive analysis of data and trends to clearly identify priority industries and opportunities. **Development of this capacity is crucial to inform more specific strategies in the next iteration of the plan.**

The above-mentioned survey participants identified the top four economic development strategies for rural Manitoba:

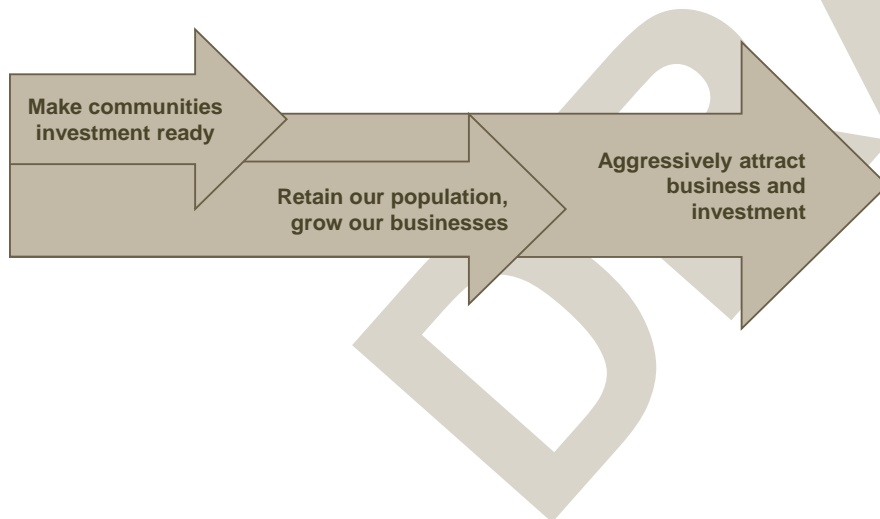
- industry diversification
- youth retention
- development of social infrastructure
- business retention, expansion and succession

They considered declining local population / market demand to support businesses, no dedicated resources to support economic development, complicated government systems and undefined or unclear local priorities to be the major barriers to addressing these priorities.

It is recognized that today's rural residents are very mobile and will travel to neighboring communities (urban and rural) to work, shop, and take part in sporting as well as other events. This, as well as the understanding that many communities do not have the resources and/or population to grow and expand at the rate that is necessary for long term sustainability, has necessitated more collaboration between communities and some regional planning. Although widely believed this type of geographic clustering results in greater benefits to all parties, many believe other types of collaborative planning, such as by industry, could have a significant impact on rural Manitoba growth. Having said that, the lack of credible, current information about the population and businesses in rural Manitoba at the required level of detail, is preventing comprehensive forecasting and the evidence-based identification of priority industries, regions and communities. **Developing the ability to collect and utilize quality information and data is considered a critical foundation piece to the implementation of this strategy.**

It is also perceived that the economic development landscape is “very crowded” with numerous organizations, government departments and levels of government providing funding and/or conducting activities, but with limited coordination and without a shared vision or common goals. Regardless of this level of effort and commitment, most believe that there is limited awareness, capacity and capability in many rural communities about economic development and how to develop and implement strategies that will support growth and long-term sustainability. This is further challenged by the four year election cycle of municipalities. **Developing the capability and capacity of key rural Manitoba leaders and decision-makers is considered a top priority.**

It must also be acknowledged that rural Manitoba is not homogenous and that communities and regions are at different stages of development. This strategy must be flexible enough to accommodate the differing stages and needs of the communities. It must acknowledge the continuum which all communities and regions will experience:



Supporting entrepreneurs to start new businesses and assisting existing businesses to grow and become more profitable are seen as significant to the future success of rural Manitoba. However it is widely believed that it is very difficult to understand, find and access these supports in the confusing landscape of programs and services. **Providing ‘single window ‘ or ‘one stop shop’ services to rural Manitoba would be welcomed by communities and entrepreneurs alike. Building the strategic capacity of business owners and creating the environment where peers at all levels of an organization help each other to find solutions to business challenges is believed to be a model that will result in great gains.**

Ensuring policies and regulations consider the impacts on rural Manitoba is perceived to be crucial in the implementation of this strategy. The regulatory and tax burden on business is commonly expressed as an impediment to starting and growing a business. **Significant reductions in both will incent more individuals to start new businesses and more businesses to invest in growth and development.**

It is believed a shift must occur, that celebrates business success and recognizes how wealth is created and supports the social fabric and infrastructure of our communities. **A supportive ‘business friendly’ environment that acknowledges the important role business plays in our communities is very important in the future economic development of rural Manitoba.**

Well-maintained roads and bridges, good transportation routes and ample, clean water are important factors in deciding to live or start a business in a specific area. Good schools, educational opportunities, recreation, quality health care services and access to needed products and services are essential.

While many people travel to jobs in urban areas, creating a wide range of jobs in rural communities is a key component of a successful strategy. While growing existing businesses and attracting more business is a primary job creation vehicle, ensuring the educational institutions are providing training and development that meets the skill demands is crucial. **Flexibility in the secondary and post-secondary systems is needed to meet the unique needs of rural Manitoba.**

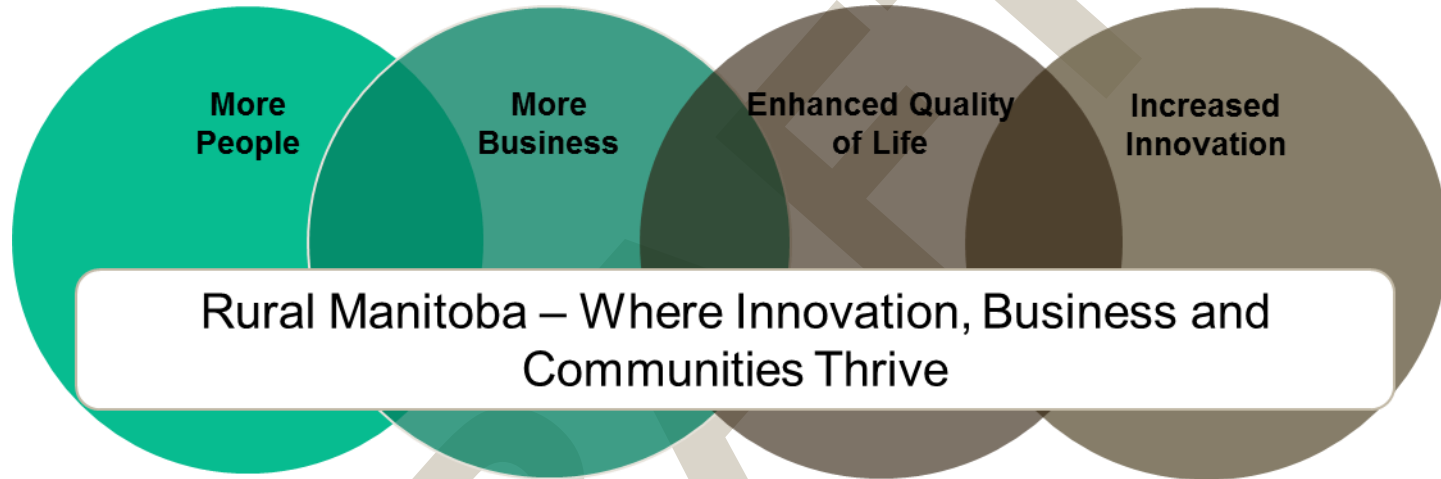
4.0 Beliefs

This draft strategy has been developed based on the following beliefs:

- Rural Manitoba is a critical contributor to Manitoba's and Canada's economy.
- Success requires collaborative planning and action of business, government, education, community organizations and citizens.
- Rural Manitoba is and can be home to more world class companies.
- Rural Manitoba offers an attractive and unique quality of life.
- Business drives prosperity in rural Manitoba.
- Cultural diversity is essential to a sustainable rural economy.

5.0 Vision

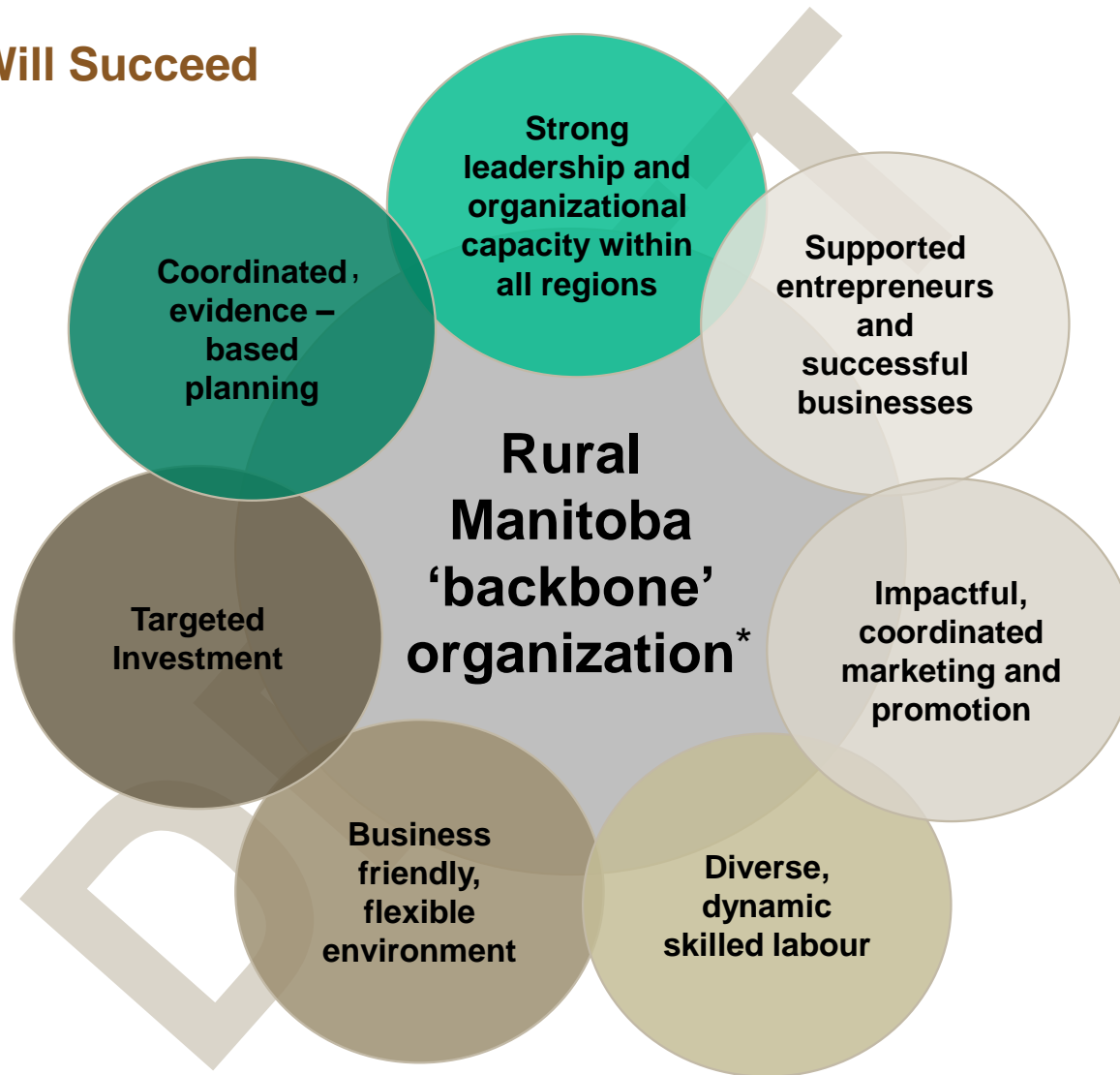
This vision and the following goals define what rural Manitoba will be in 10 years:



6.0 Goals - 2025

- To increase the population across rural Manitoba by 150,000
- To grow existing businesses in rural Manitoba by 20%
- To increase the number of businesses by 3,000 in rural Manitoba

7.0 How We Will Succeed



* *The Steering Committee will work with key stakeholders to determine the best approach to better coordinate economic development while not duplicating or adding on to existing organizations.*

8.0 Strategic Directions

Strategic Direction 1

Coordinated, evidence-based planning

Strategic Objectives

- develop data collection, analysis and reporting capacity to inform flexible regional and community planning and targeted sector development
 - develop and implement a comprehensive planning framework that encompasses and respects the economic, environmental and social elements
 - develop and maintain community / regional benchmark and progress indicators
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Strategic Direction 2

Strong leadership and organizational capacity within all regions

Strategic Objectives

- educate and engage elected officials, administrators, business and community organizations on what drives a vibrant economy
 - establish a professional standard for economic development practitioners
 - create and promote a 'can do' positive message about the development of rural Manitoba
 - develop and support youth leadership
 - develop a rural economic development 'backbone' organization
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Strategic Direction 3

Supported entrepreneurs and successful businesses

Strategic Objectives

- establish clear paths for information and support for entrepreneurs
 - develop cross-sectoral rural hubs for innovation
 - develop and support youth entrepreneurialism
 - leverage peer-to-peer business groups throughout rural Manitoba
 - create more Indigenous and Newcomer owned and operated business
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Strategic Direction 4

Impactful, coordinated marketing and promotion

Strategic Objectives

- develop and implement a comprehensive, marketing campaign that tells the 'open for business' story of rural Manitoba
 - establish a strong marketing capacity dedicated to rural Manitoba
 - establish new and leverage existing attractions to create destinations throughout rural Manitoba
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Strategic Direction 5

Diverse, dynamic skilled labour

Strategic Objectives

- develop the flexibility, capability and capacity for education providers to meet the needs of each region
 - create a pro-active welcoming immigration framework and approach
 - create a pro-active, inclusive framework for leveraging the strengths of an indigenous workforce
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Strategic Direction 6

Business friendly, flexible environment

Strategic Objectives

- transform the regulatory and policy framework to enable timely business and community development in rural Manitoba
 - develop / modify programs and services to meet the needs of rural Manitoba business
 - stimulate increased export activity and foreign investment
 - align with and leverage Winnipeg and northern economic development and related strategies
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Strategic Direction 7

Targeted investment

Strategic Objectives

- develop new and/or reinvested sources of funding
 - develop and implement effective investment attraction tactics
 - properly fund infrastructure including telecommunications
 - develop required social infrastructure
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Appendix A

