

## **A New Economic Development Strategy is needed for New Brunswick**

For too long, Atlantic Canadians have had been conditioned to believe that they have **the right to live anywhere they wish, expect the save level of public services and economic opportunity or be subsidized in that expectation**. This belief has been fostered by government policies at both the provincial and federal levels for decades. The cost of these policies have resulted in the chronic difficulty to balance provincial budgets and ever increasing public debt.

It has led to an over-dependence on transfer payments from other Canadians to maintain public service levels. It has led to a culture of entitlement and resistance to change. EI has become an income supplement program for generations of workers in the region rather than a short-term insurance program. How else can you explain the unwillingness of a segment of the workforce to work longer than the period needed to qualify for EI even when work is available? It might at least partially explain why Atlantic Canada continues to have more than twice as many people living in rural areas as the rest of the country.

## **Population Growth Drives Economic Prosperity**

Atlantic Canada has led the country in unemployment and trailed the nation in economic growth for much of the last fifty years or so. The structural issue associated with having twice as many people living in rural communities without sufficient full-time work is a key reason for the chronically weak economic performance for all of the region except Prince Edward Island, where economic performance has been near the national average in terms of economic growth for the last decade. PEI's strong economic performance can be largely attributed to a steadily growing population.

Having more than twice as many people living in rural communities increases the cost of service delivery. As an example, the promise by governments to provide high speed internet to 100% of the population is much more costly in Atlantic Canada due to the distribution of the population. Given that high speed rural internet service must be subsidized by all users, the proportion of those available to subsidize these costs is smaller across the four Atlantic Provinces relative to the rest of the country. Think about the costs associated with the delivery of health care and the challenge of trying to keep rural hospitals open.

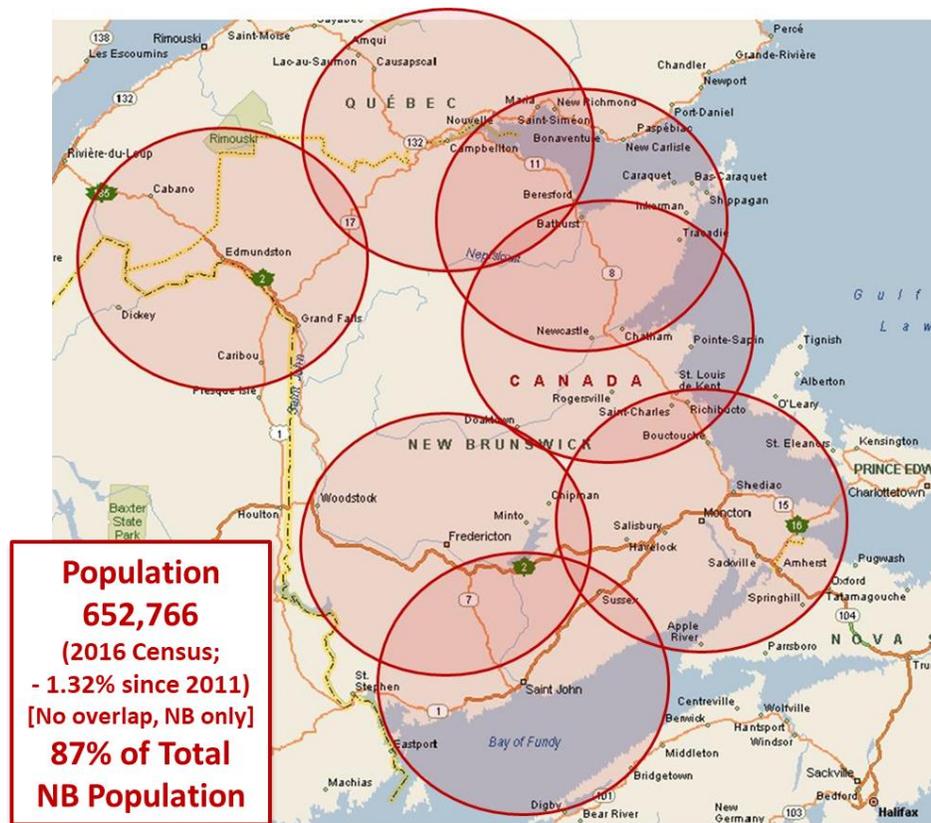
## **Willingness to Commute Key to Economic Growth**

Research conducted by my former company indicates that those living in rural communities are largely unwilling to move to access better job opportunities. Other research suggests, however, that rural residents are prepared to commute a **reasonable** distance for full-time job opportunities and key public services such as health care. Indeed, a majority of those living in rural communities in Atlantic Canada are prepared to commute at least 65 kilometres for such purposes. This willingness to commute provides an opportunity to re-consider how public services are delivered and how economic development is conducted across the region.

## Economic Hub Strategy

I have advocated for some time for the creation of economic hubs across Atlantic Canada as a means to deliver public services more efficiently, create more full-time job opportunities for those living with each economic hub and allow residents to continue to live in their rural communities. I have proposed that these economic hubs be centered around the urban communities (communities with at least 5,000 population) within each of the Atlantic Provinces. Each of these economic zones would include these urban centres and surrounding, nearby rural communities.

In New Brunswick, there are seven possible economic hubs, including Saint John, Moncton/Dieppe, Fredericton, Miramichi, Campbellton, Bathurst and Edmundston. Each of these urban communities has the critical infrastructure (such as major healthcare facilities and post-secondary institutions) and population base to grow and provide economic opportunities and public services to support those living in nearby rural communities. These seven economic hubs currently serve nearly 90% of the population in the province within a sixty-five kilometre commute.



## Economic Development Agencies Must Align to Economic Zones

Key to the success of these economic hubs is the creation of a regional economic plan, similar to the ones created for Greater Moncton and Halifax (a municipality serving both rural and urban residents). The development of strategies specific to each economic hub zone based on the assets and opportunities within that hub region is critical. The alignment of regional economic development

agencies to these economic zones is also critical. Part of the regional economic plan must include the development of a population growth strategy.

Population growth is essential for economic prosperity. Population growth is largely limited to urban communities in the western world and the best way to protect rural communities is to have growing nearby urban communities able to attract newcomers from outside the province to those urban communities.

### **Urban Communities Must Lead**

If the population of New Brunswick is to grow outside of Greater Moncton and Fredericton, the urban communities must lead the way. It is important to note that five of these urban communities lost population in the last census. While there have been signs of some improvement recently, the province overall has averaged only about a half a percentage increase in population since the last census when double that growth rate is needed.

The reluctance of provincial governments to adopt an economic hub strategy seems to be largely based on fear of upsetting those living in rural communities who make up a significant proportion of voters in the province. It is clear for such a strategy to be adopted, the urban municipalities in the province must lead the way. This has already started to happen in New Brunswick under the leadership of the mayors of the province's eight cities.

We need a new promise for citizens in New Brunswick. This is the new promise that politicians can make to the population with such an economic hub strategy. As a citizen, **you have the right to live wherever you wish and expect the same level of public services and job opportunities, as long as you are prepared to commute a reasonable distance for such purposes.**

**Don Mills**

**Founder and Former Owner/CEO of Corporate Research Associates Inc. (now Narrative Research)**