

Review of the Strategy Development Process and Summary of Consultation Information

Rural Economic Development Strategy

November 9, 2009

Background

On April 4, 2008, as an element of the Speech from the Throne, the Government of Prince Edward Island announced its intent to form a new Department of Fisheries, Aquaculture and Rural Development in order to place a greater emphasis on advancing community development in rural Prince Edward Island.

The centrepiece of this announcement was direction to the Department of Fisheries, Aquaculture and Rural Development to create a new Rural Economic Development Strategy. This would be the first publically released Rural Economic Development Strategy ever prepared by the Government of Prince Edward Island and the first rural-focused government policy document produced since 1990.

The new department was structured during the spring and summer of 2008; meanwhile foundational research was compiled for the consultation phase of the Rural Economic Development Strategy. A timeline for the development of the Rural Economic Development Strategy was presented to the Standing Committee on Community Affairs and Economic Development on August 13, 2008.

The Standing Committee on Community Affairs and Economic Development tabled its “Review of Rural Development” to the Legislature on November 26, 2008. This report put forward seven recommendations regarding rural development based on consultations conducted during the summer of 2008. This report has made an important contribution to the development of the Rural Economic Development Strategy.

Ministerial consultations – one-on-one meetings between the Minister of Fisheries, Aquaculture and Rural Development and a series of rural businesspeople – were conducted throughout the winter of 2009.

On April 16, 2009, a discussion paper entitled “Renewing Rural Prince Edward Island” was presented to the Provincial Conference on Rural Development. This document included an overview of Prince Edward Island’s history regarding rural development; a statistical analysis of rural Prince Edward Island; an overview of current government initiatives for rural Prince Edward Island; a description of the vision and key themes being pursued in the formulation of the Rural Economic Development Strategy, as well as a description of the

policy approach adopted in the preparation of the strategy. Over 200 people attended the conference.

On June 18, 2009, an on-line survey was launched to capture a greater sense of the rural development priorities of Islanders. Over 600 people completed the survey.

Regional consultations were conducted in July. These sessions were held in rural parts of each county, as well as a French language consultation, which was held in Wellington. Over 200 people attended these four sessions.

Seven sector workshops were held from September 3rd to October 5th and included the following sessions: (1) entrepreneurship and small business development, (2) leadership development and community volunteerism, (3) labour market development, adult education and lifelong learning, (4) tourism, (5) agriculture, (6) fisheries, aquaculture and seafood processing, and (7) energy, forestry and environment. In excess of 200 people participated in the sector workshops.

Consultations were held across the provincial government, with federal government officials and with representatives of Prince Edward Island's municipalities.

All public consultations were held with the participation of the Rural Economic Development Advisory Council. The Council, which consists of seven prominent rural Islanders representing all sectors and regions of the province, serves the primary role of ensuring that the priorities of Islanders – as represented at the consultations – will be accurately reflected in the Rural Economic Development Strategy. The knowledge, wisdom and advice of council members is providing an invaluable contribution to this process.

Throughout the research, consultations and deliberations, a number of priorities and key themes emerged and will form the basis for the action items in the Prince Edward Island Rural Economic Development Strategy. These recommendations – representing the voice of over 1200 Islanders - are meant to form the foundation for the renewal of rural Prince Edward Island and to lead us toward the vision of:

A prosperous, vibrant and healthy rural Prince Edward Island, able to adapt to a changing world and to offer diverse opportunities and quality of life to all its citizens.

The following are some highlights from the consultation phase. As a final opportunity, we encourage you to respond with comments prior to the finalization of the strategy, which remains under development.

Results of the on-line survey:

1. What is “Rural” Prince Edward Island?

The distinction between urban and rural is much less clear today than in the past. Over half of Prince Edward Island’s labour force works in the two cities. Most of those people live in and around Charlottetown (60,000 people) and Summerside (16,000 people). The commuting zones surrounding the two cities have very positive outcomes on many indicators of economic and social well-being, including occupational distribution, employment, education, and income.

How should 'rural' be defined?

Result:

73% of respondents favoured an approach to Rural Economic Development policy that focuses on all areas outside of the four largest municipalities (Charlottetown, Summerside, Cornwall, Stratford).

2. A Regional Approach?

Traditionally, rural development in Prince Edward Island has taken place mostly at the local level, working with individual communities in a bottom-up way. This approach has brought about many community improvements and developed local leadership – but new approaches may be needed to address the evolving challenges facing rural Prince Edward Island, and to seize the new opportunities of the future. On many fronts, including economic development, labour market planning, infrastructure development, land use planning, communities and sectors are beginning to work together on a larger scale. Renewing Rural Prince Edward Island proposes a regional approach with three zones outside the urban areas – west of Summerside, east of Charlottetown, and central Prince Edward Island between the two urban areas. Each of these regions has a distinctive economy and mix of challenges and opportunities.

Should the Rural Development Strategy take a regional approach to rural development, using three zones -- west, central, and east?

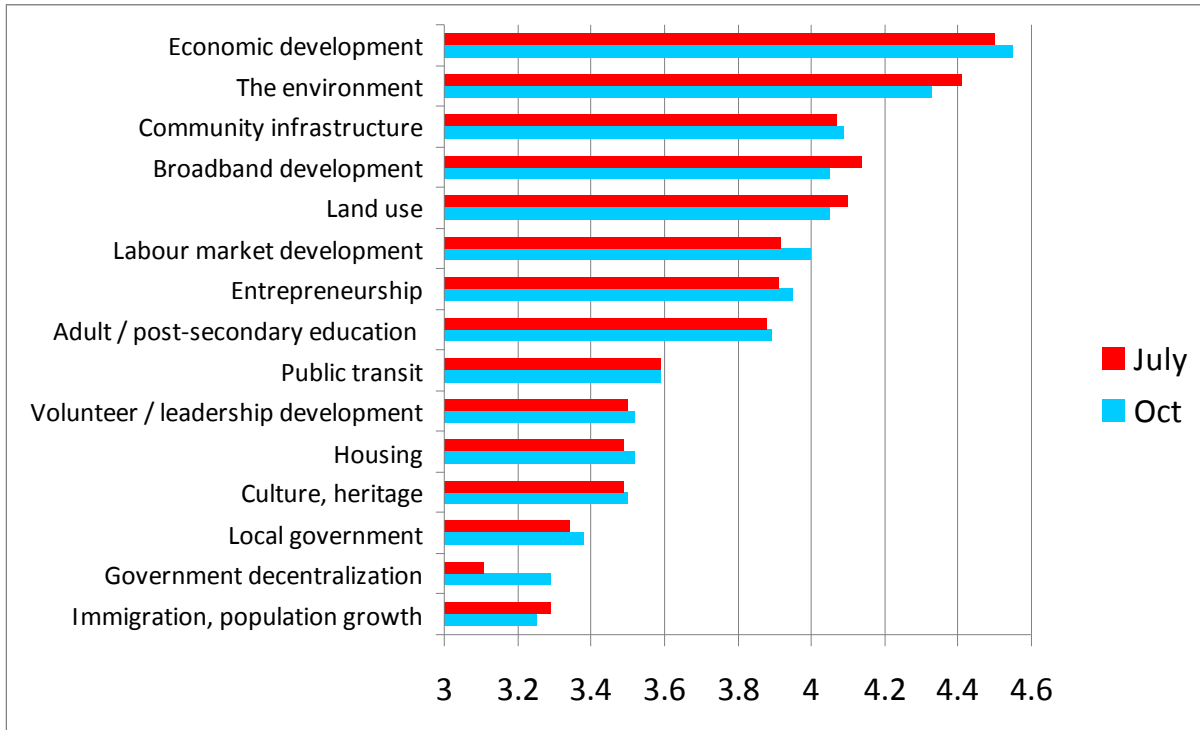
Result:

75% of respondents favoured a regional approach.

3. Priority Areas

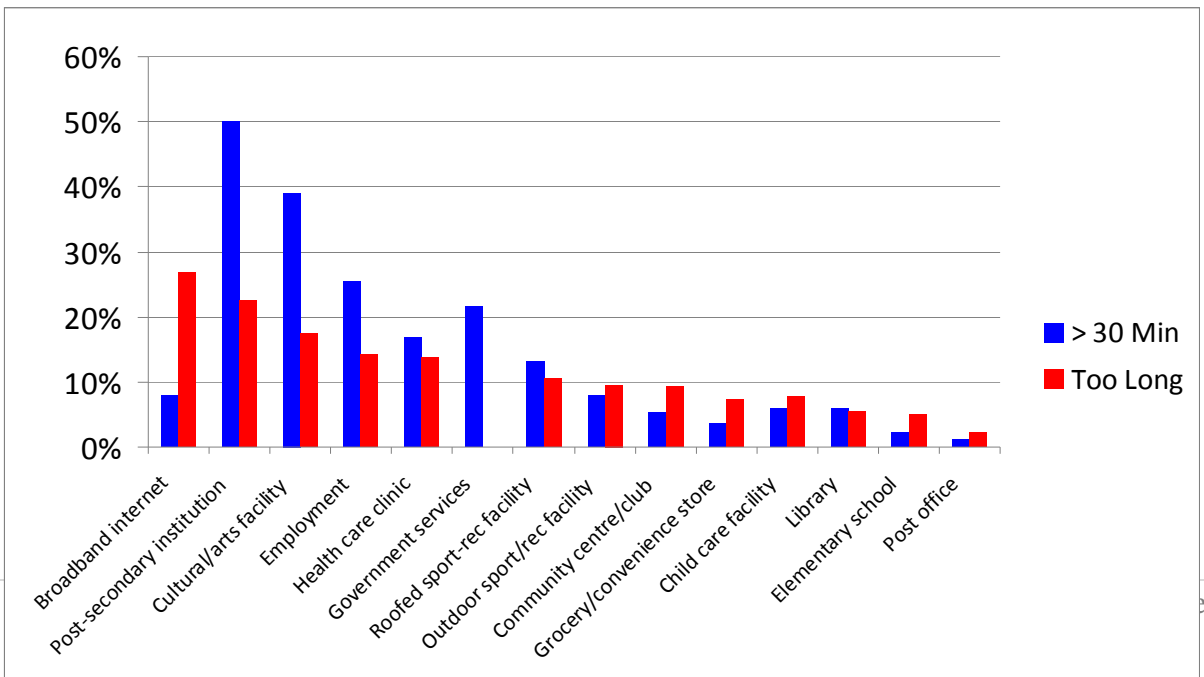
How much priority should the Rural Development Strategy place on each of the following areas?

Result (in order of priority):



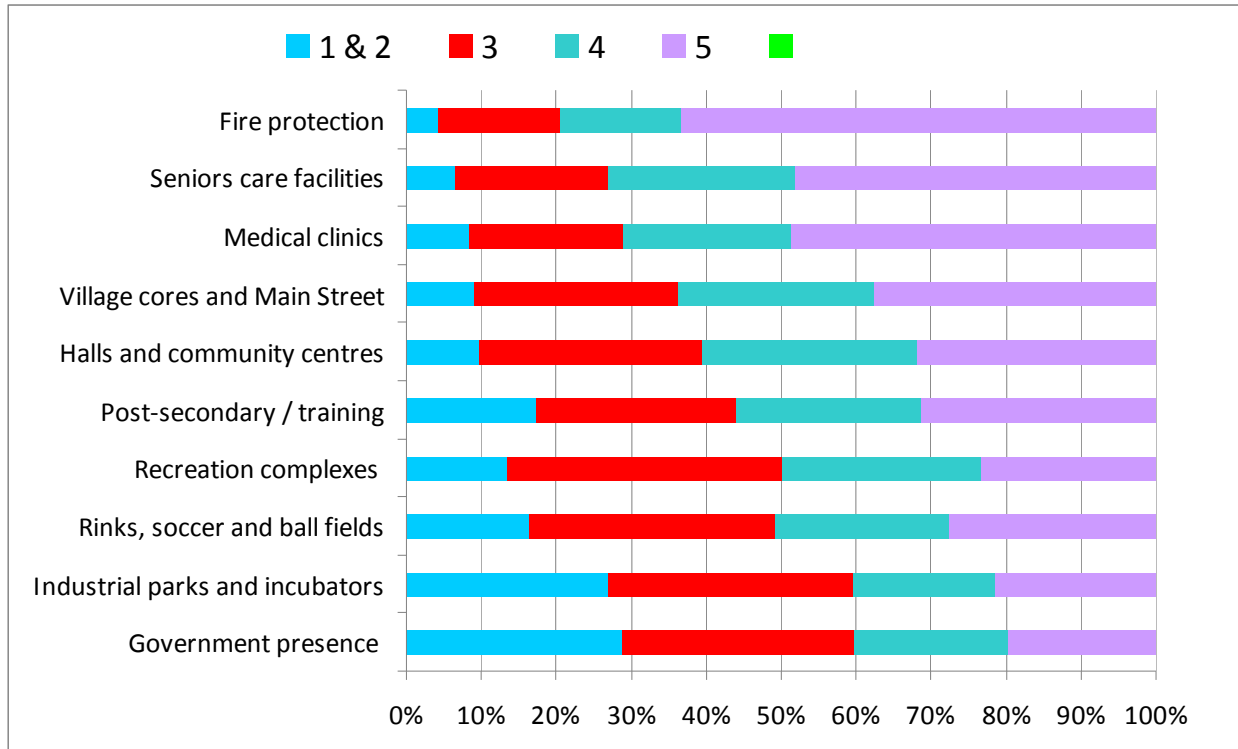
4. Core Services and Amenities

How long must you currently travel to access the following opportunities, services and amenities? And do you find these access times reasonable?



5. Dispersed or Targeted Development?

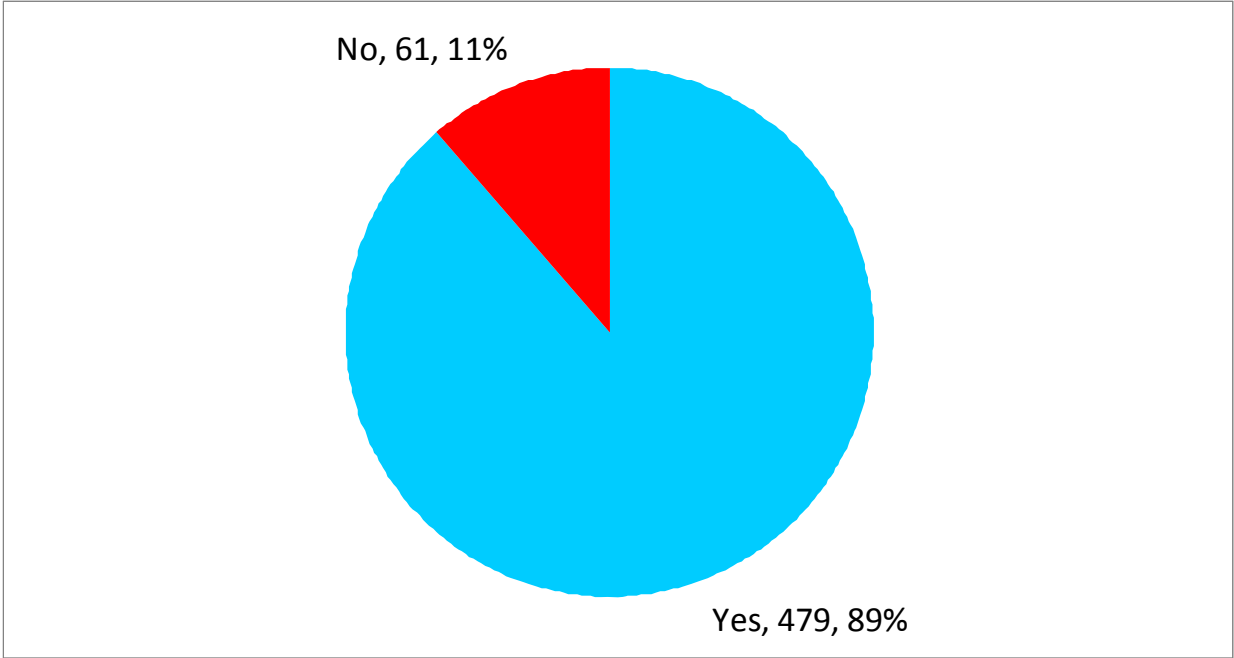
Past approaches to development have distributed investment as widely as possible, seeking to maintain existing infrastructure and amenities, and further develop all communities large and small. Population aging and migration are reducing demand, and eroding the financial and volunteer capacity of many small communities, making it more and more difficult to sustain facilities. At the same time, only a very small number of communities outside the two cities have been able to develop a level and range of infrastructure and amenities that acts as a magnet for population and economic development.



6. Extra Help for the Rural Areas with Greatest Challenges?

In Prince Edward Island, the areas facing the greatest economic and demographic challenges are those furthest from the two urban centres. In those regions, over 90% of the population must find their livelihood within their communities. On many fronts – employment, income, education levels, and population growth – these regions are falling behind PEI’s urban and central areas.

Should the Rural Development Strategy provide additional supports to Prince Edward Island’s most challenged rural areas?



7. Balance Between Established and New Sectors

Traditionally the resource sectors have been the engine of Prince Edward Island’s economy and the source of most rural jobs. With increasing productivity, resource industries will continue to create wealth and exports for the province as a whole – but are unlikely to generate net job growth in their communities. To achieve growth, rural communities will need to look to new industries. Transportation improvements and rural broadband are creating new rural opportunities in manufacturing and service industries. Opportunities also exist in tourism, based on authentic development of distinct local strengths and partnerships with resource industries.

How should the Rural Development Strategy balance maintaining or developing established sectors and businesses versus diversifying into new industries?

Results:

1. Strengthen our existing industry base and diversify by adding value to our resources: **34%**.
2. Try to maintain existing industries at or near current employment levels and look to a broad range of new industries as a source of growth: **34%**.
3. Put top priority on building and attracting new industries to rural Prince Edward Island, such as small scale manufacturing and broadband-enabled services: **32%**.

8. Balance Between Top-Down and Bottom-Up Development

Some approaches to economic development place importance on developing or attracting 'anchor employers' – large firms, often from outside the region, which have a significant impact on the local labour market. Examples in Prince Edward Island include the aerospace sector, potato processing firms, and much of the information technology sector. Other approaches place priority on bottom-up development, building on strengths and distinctive local assets. This approach generally results in a larger number of small and medium-sized enterprises and start-ups.

What priority should the Rural Development Strategy place on each of the following approaches to economic development?

Result (in order of priority):

1. Help existing employers strengthen or grow their operations
2. Help local entrepreneurs start up new enterprises
3. Foster development of 'new economy' sectors in rural PEI
4. Prospect for major new employers for rural regions

Profile of Respondents:

Gender:

Male: 52% Female: 48%

Age:

Age 40-64: 66% Age 25-29: 22% Age 65+: 8% Age 25 or less: 4%

Geography:

Rural West: 33% Rural East: 28% Rural Centre: 17% Urban: 22%

Education (in order of highest frequency):

1. University 2. College 3. High School 4. Trades

Labour Force Status (in order of highest frequency):

1. Employed 2. Self-employed 3. Retired 4. Student 5. Unemployed

Primary Issues from Regional and Sector Consultations

Drawing from the comments made at regional and sector consultations, a number of needs were consistently voiced. These needs were expressed in all regions and in most sector workshops. These needs have been identified as the building blocks of an action plan regarding Rural Economic Development. Very few presenters suggested project or sector specific approaches to rural economic development.

Agriculture, Fisheries & Aquaculture, Forestry, Tourism and Small Business

1. The need to develop programs that enable our primary sectors and tourism to grow increasingly competitive.
2. The need to identify strategic infrastructure investments that will enable our traditional rural sectors (primary industries and tourism) to grow and for new sectors to establish in rural Prince Edward Island.
3. The need for stronger support and collaboration with community-based development corporations.
4. The need to access to pools of capital for business development.
5. The need for greater clarity and simplification regarding who is providing what services.
6. The need to remove obstacles for rural entrepreneurs in accessing programs.
7. The need to provide clearer communication regarding programs and services for entrepreneurs and business owners.
8. The needs of the rural economy and our urban economy are not exclusive. Capacities and infrastructure is required in rural Prince Edward Island to further heighten the integration of our economy.
9. The need to develop initiatives that help promote our inherent Prince Edward Island brand, while enabling our food and craft producers to be market-ready, competitive and to increase exports.

Labour Market Development and Adult Education

10. The need for more focused human resource development policies that harmonize with economic development needs and opportunities.
11. The need for human resource development strategies to be both broad-based and opportunity-specific.

Innovation and Technology

12. The need to ensure that the benefits of the Island Prosperity Strategy extend to rural Prince Edward Island.
13. The need to provide greater technical support and information for our economic-related community organizations to better inform strategic decision-making processes.
14. Emphasis on the importance of Island-wide rural broadband and programs that stimulate benefits (population growth, business growth) from it.

Tourism

15. The need to focus on product development and the implementation of product development strategies in tourism.
16. The need for strengthened rural tourism associations to enable the implementation of province-wide strategies.

Environment

17. The need to develop programs that recognize the inter-connectedness between our traditional rural economic sectors and their inter-connectedness to the local environment.
18. The provincial forest inventory be updated to guide future decisions on utilizing this biomass resource.

Leadership and Volunteers

19. The need for programs that enable our youth to get established in our rural communities.
20. The need for ongoing communication between levels of government and community groups.
21. The need for support to strengthen community-groups and help them become more sustainable (succession planning, leadership development, proper structures and processes to protect volunteers from risk).
22. The need for our rural leaders to have an on-going voice in rural-focused strategies and the need to promote greater collaboration between leaders, communities, organizations and government.

Culture

23. The need to strengthen our Island culture and recognize that by encouraging cultural groups to nurture their own unique approaches, we can enhance the benefits of our cultural and heritage industries.

Energy

24. The need to enhance our self-sufficiency in heat and electricity.

Land Use and Governance

25. Emphasis on the importance of land-use planning and strengthened local governments to maximize the potential of rural Prince Edward Island.