

Of Future Ghost Towns?

What Small Communities can do in an Economic Downturn

In January 2009 CIEL's Mike Stolte did 13 separate interviews on CBC morning shows across Canada. Here is an excerpt from one of those interviews.

Are small communities prepared for the recession?

No, we've worked with more than 50 communities across Canada and some in the US and Australia. Most were only coping before the downturn. Many of them are dealing with big infrastructure deficits, downloading from provincial and federal levels of government, reduced volunteer rates, school and hospital closures and other stresses.

What are some of the things communities can do for economic development in the short term?

The important thing is not to panic. I've worked with some Australian communities that have experienced drought for 15 of the last 17 years yet the farmers, businesses and residents still remain optimistic that the community can and will survive.

Almost all community success stories have a common theme. The community uses the crisis as a catalyst. The solutions come from within rather than waiting for the white knight to come rolling in from the outside. It's also important to think much more regionally than in the past – you can cannibalize or co-operate. Cannibalization isn't very appetizing in the long run.

In the short term it's important to take stock and gauge a community's strengths and weaknesses, what it's good at relative to others and to use the process to deploy the very limited resources of the community strategically. One of the ways we've done this is through a Business Vitality Index (part of a larger initiative), where we measure 100 important indicators of a community's business friendliness.

Like what?

We get communities to ask themselves things like: Do young people – 25 to 34 – find the community a desirable place to live? That's important because that's the age group most likely to plant roots, buy real estate, start or take over businesses and replenish the tired leadership in many communities. Do successful businesses want to stay in the community? Is there a learning culture - do people want to continue to learn beyond the formal educational institutions? Do the business and education and communities work together? After we've measured this we use it to get the community focused on a few short term outcomes and jumpstart action. Small victories and momentum are important. Good planning from the information this provides is key too.

Are there other things that can be done in the short term?

Yes, the most immediate would be to identify opportunities that the community or would-be entrepreneurs in the community could harness. Every community I've worked in laments about the lack of opportunities for its youth. However, they're able to identify at least a dozen or more underutilized niches. I remember a community that got together and took an inventory of all the interesting things in the community like one guy's grand piano collection. A year or two later, there was a grand piano museum! It's incremental victories, singles so to speak, that will make a much more resilient community than a home run swing (looking for the one saviour).

Also, more than 70% of small business owners hope to retire in Canada over the next decade. Many displaced workers may be able to be matched up with businesses whose owners are looking to retire. Surprisingly, the success rate for entrepreneurs getting into business during a recession is actually higher than those starting in good times.

And in the long term....?

We need to become much more entrepreneurial in our societies, being able to find opportunities in whatever comes our way. It's the 'community entrepreneur' that we must grow. These are people who build the bottom line of the community using the virtues of an entrepreneur; seeing opportunities where others do not, persevering against all odds, and making alliances beyond their normal groups. It's essential that every small community in Canada tries to inspire, mentor, and publicly recognize these people if they hope to thrive.

Communities also need to offer the full meal deal. They need to look at quality of life issues like sense of community, arts and culture, inclusiveness, collaborative leadership, and affordability. They also need to address key sustainability issues like local food security. Small communities outside a big centre with a high quality of life, a vibrant creative sector, that are green and entrepreneurial are pretty much the only ones that aren't losing big chunks of population.

Can you give examples of success stories?

My hometown Sudbury, facing a huge downturn in the early 1980s, came together to identify initiatives that would inspire them 20 years in the future. Out of that came Science North (a top-notch interactive science centre), a beautiful boardwalk around the lake, and the linking of businesses and the university to make Sudbury a world centre for mining expertise.

My adopted town of Nelson used the revitalization of its heritage downtown to pull out of its downturn. The small success bred other successes and a sense of optimism, attracting many new residents to the community. Today, Nelson is the entrepreneurial capital of Canada.

In an effort to build some short term momentum, community alliances, and get the community moving forward, Nakusp worked to identify opportunities for youth, created a community foundation and came together to save their seniors' home. They were then

able to undertake a homegrown community planning exercise - Operation Bootstrap - and focus the community energy into things like the Nakusp Music Festival.

Do the provincial and federal governments have a role to play in the downturn?

Yes. Both levels of government have a facilitative role to play, linking communities to expertise and resources. They also need to help seed communities with whatever communities come up with. A stimulus plan that forgets about communities - that focuses on just industries and individuals - is doomed to fail.

Any concluding remarks?

It will only be through the passion, creativity and personal initiative of the community, its leadership and its citizens that communities will thrive.

Mike Stolte is the Executive Director of the Centre for Innovative & Entrepreneurial Leadership (CIEL – www.theCIEL.com) and the Chair of the Canadian Rural Revitalization Foundation.