

Creating Digital Opportunities for Canada

Rural and Remote Regions:
The Wrong Side of the Digital Divide?

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Research Question and Key Finding

- Research Question: How are small towns, rural areas and Indigenous communities responding to the digital opportunities and challenges in the 21st Century?
- Key Finding: Major digital divides have been created between southern and urban centres and northern, rural and Indigenous communities. Responding to the growing gaps in opportunities for work, business development, and economic engagement will require the “inversion of digital innovation.”

Research Findings

- Small towns and rural areas are poorly prepared for 21st century digital engagement;
- Canada's regional digital infrastructure is inadequate;
- Few smaller Canadian communities (Olds, Alberta, Kaslo, B.C., Whitehorse, Yukon) have well-developed digital strategies;
- Indigenous communities have severe deficits in almost all aspects of the digital economy;
- Small towns, rural and remote communities are being affected by digital disruptions, particularly in terms of retail dislocation, job loss, and disengagement from the national economy.

Policy Implications

- 1. Canada needs a rural, small town and northern digital strategy and investment plan;
- 2. Smaller centres lack the local talent needed to develop, install, maintain and capitalize on digital technologies. Will this be addressed through regional education and training or from distance-delivered services and assistance?
- 3. Rural, northern and Indigenous communities lack the economies of scale to attract commercial attention and typically lack the knowledge of national and international markets to exploit commercial opportunities. Specialized mid-size city responses have been better.
- 3. Rural and Indigenous communities have typically lacked ready access to investment capital. The recent growth of Aboriginal Economic Development Corporations has changed this reality for some Indigenous communities.
- 4. Canadian research and development related to rural and small town communities and the digital economy is embryonic and lacks the scale and connectivity to advance regional interests.
- 5. The digital divide has exacerbated the social and economic challenges of rural, small town, Indigenous and northern towns in Canada. The impact on current and future workforce has been particularly noticeable.

International Lessons and Insights

- Policy-driven developments in other countries (Scandinavia, Japan, and the USA) provide positive examples of digital adaptation in rural and remote regions;
- The situation in less developed nations (South and Central America) shows the employment, commercial and societal implications of being “left out” of 21st century digital developments;
- The core element in the digital policy strategies of the leading nations has been national commitments to uniform infrastructure standards, high quality educational outcomes, and targeted policies for small town and rural economic development.