

# Rural Governmentality in Alberta: A Case Study of Neoliberalism in Rural Canada

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Volume 15, Number 2, 2018

URI: <https://id.erudit.org/iderudit/1058087ar>

DOI: <https://doi.org/10.7202/1058087ar>

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Publisher(s)

Centre d'études en gouvernance de l'Université d'Ottawa

ISSN

1912-0362 (digital)

[Explore this journal](#)

Cite this article

Hallstrom, L. K. (2018). Rural Governmentality in Alberta: A Case Study of Neoliberalism in Rural Canada. *Revue Gouvernance*, 15 (2), 27–49.  
<https://doi.org/10.7202/1058087ar>

Article abstract

Rural communities in Canada have faced a long history of capital and labour flight, resource extraction, and political marginalization. At the same time, despite decades of efforts toward rural development and economic/social diversification, there is little evidence of change or improved resilience in rural Canada. This article seeks to examine this lack of change against the backdrop of that developmental history, and the underlying logics that have informed rural policy-making. Focusing on Alberta, this paper argues that rural communities face a third phase of developmental approaches embedded within a neoliberal governmentality, one that emphasizes equality of opportunity, competition, capacity-building, and collaboration. This approach is simultaneously situated within a broader neoliberal objective of defining both citizens and rural communities as economic actors. In turn, this article examines the scope, scale, and role of energy and agricultural investments as a demonstration of how neoliberal governmentality structures not only how rural development is framed, but constructs economic agency for rural communities as “the only game in town” for the very populations that bear the costs. As a result, the historical failure of rural development is unlikely to change, yet, rather than be understood as problematic, will increasingly be seen as a failure on the part of rural communities themselves.

# Rural Governmentality in Alberta: A Case Study of Neoliberalism in Rural Canada<sup>i</sup>

By Lars K. Hallstrom<sup>ii</sup>

## *Abstract*

Rural communities in Canada have faced a long history of capital and labour flight, resource extraction, and political marginalization. At the same time, despite decades of efforts toward rural development and economic/social diversification, there is little evidence of change or improved resilience in rural Canada. This article seeks to examine this lack of change against the backdrop of that developmental history, and the underlying logics that have informed rural policy-making. Focusing on Alberta, this paper argues that rural communities face a third phase of developmental approaches embedded within a neoliberal governmentality, one that emphasizes equality of opportunity, competition, capacity-building, and collaboration. This approach is simultaneously situated within a broader neoliberal objective of defining both citizens and rural communities as economic actors. In turn, this article examines the scope, scale, and role of energy and agricultural investments as a demonstration of how neoliberal governmentality structures not only how rural development is framed, but constructs economic agency for rural communities as “the only game in town” for the very populations that bear the costs. As a result, the historical failure of rural development is unlikely to change, yet, rather than be understood as problematic, will increasingly be seen as a failure on the part of rural communities themselves.

*Keywords:* rural, governmentality, Alberta, neoliberalism, Foucault, development

## *Résumé*

Les collectivités rurales du Canada connaissent depuis longtemps la fuite des capitaux et de la main-d'œuvre, l'extraction des ressources et la marginalisation politique. En même temps, malgré des décennies d'efforts de développement rural et de diversification économique et sociale, il y a peu de signes de changement ou d'amélioration de la résilience dans le Canada rural. Le présent article cherche à examiner cette absence de changement à la lumière de cette histoire du développement et des logiques sous-jacentes qui ont guidé l'élaboration des politiques rurales. En se concentrant sur l'Alberta, cet article soutient que les collectivités rurales font face à une troisième phase d'approches de développement ancrées dans une gouvernance néolibérale, qui met l'accent sur l'égalité des chances, la concurrence, le renforcement des capacités et la collaboration. En

même temps, cette approche s'inscrit dans un objectif néolibéral plus large qui consiste à définir les citoyens et les communautés rurales comme des acteurs économiques. Cet article examine à son tour la portée, l'ampleur et le rôle des investissements dans les secteurs de l'énergie et de l'agriculture afin de montrer comment la gouvernance néolibérale structure non seulement le développement rural, mais fait de l'autonomie économique des communautés rurales "la seule option possible", y compris pour les populations qui en subissent le coût. Par conséquent, il est peu probable que l'échec historique du développement rural change, mais plutôt que d'être considéré comme problématique, il sera de plus en plus perçu comme un échec par les communautés rurales elles-mêmes.

*Mots-clés: rural, gouvernamentalité néolibérale, Alberta, Foucault, développement*

## **Introduction**

Canada's colonial past can be understood as a mostly rural history of extraction, political expediency, and compromise between political success and public-sector spending (Epp, 2008). While there are regional differentiations driven by place, economies, language, and history, from a social, economic, and/or environmental standpoint rural development can be understood as one of failure. As Blake (2003) writes, "[I]t is clear that there has been a 'herd mentality' in the strategies adopted to foster regional and rural development. Most of the provinces have followed models adopted elsewhere or have simply accepted federal money for rural and regional development without being proactive, creative or courageous to the particular and peculiar challenges and opportunities in their own region or province" (p. 189). He goes on to note that "development strategies have been largely unsuccessful at creating long-term economic growth and prosperity in rural Canada and throughout the more remote and sparsely populated regions of the country. One can make the case that most of the attempts at rural development and rural revitalization in Canada have been an unmitigated disaster if we were to apply a business model to the various initiatives" (p. 189).

Given the economic, cultural, and political importance of rural places and peoples to Canadian identity and colonial expansion, it seems odd that rural development could be deemed such a failure. Yet the emergent reality is that since the 1980s, rural development and sustainability have been characterized not by development or growth, but rather toward attracting business. While cities have assumed priority as places of innovation, growth, profit, and modernity, they have done so within a global shift toward free(r) trade, comparative advantage, foreign direct investment, privatization, and deregulation

(Epp & Whitson, 2009). In other words, rural Canada has been both a long-standing participant, and casualty, of a Canadian political economy that remains staples-based and is increasingly neoliberal, yet is also heavily reliant upon both rural resources and the state.

Since the early days of Confederation, municipal governments have enjoyed an uneasy position within Canadian politics. The provinces are responsible for the architecture—indeed, the existence—of local government systems within their borders. As such, they are responsible for setting out the powers of municipal governments, but are also responsible for setting and maintaining the capacity of municipalities as local and functioning democracies where a wide range of services and policies are operationalized and delivered (Martin, Paget, & Walisser, 2011). While there is some variation in how provinces treat municipalities (see SORC, 2015), the over-arching conclusion is that municipalities suffer a legally and practically “weak” level of decision-making with no constitutional standing (municipalities exist as a result of provincial legislation, such as the Municipal Governance Act in Alberta).

In fact, Sancton (2009) argues that compared to other members of the international Organisation for Economic Co-operation and Development, Canadian municipalities are among the weakest local governments. There is a growing list of core challenges to their sustainability, particularly for small municipalities, that can be derived from this weakness, including a vicious cycle of population loss (coupled with resulting declining property taxes) and reduced services such as schools, health care, and retail; decreased revenues from federal sources via the provinces; significant infrastructural deficits; and a common pattern of increased responsibility with no associated change in authority (Finseth, 2013).

While the recent history of municipal government (like many policy sectors in Canada) can be understood through a constitutional (and, as a result, fiscal federalist) lens, the emphasis of this article is on the broader pattern of state/rural community interaction. This interaction, while derived from constitutional discussions that can be traced back to the 1960s (if not before; in 1839, Lord Durham argued for constitutionally guaranteed municipal institutions [Simeon, 1985]), is instead one of how this relatively weak layer of local government is supported by the state, yet perpetuates the vulnerability of rural communities.

This has occurred through different strategies of, first, imposition and structural reform, then the “self-help” discourse of rural and community capacity-building and, most recently, the blending of the two strategies where: (a) small communities reach or move

beyond a “sustainability event horizon” (i.e., a point at which neither a return to a previously and at least temporarily viable status nor a transition to a new status is feasible [Ashton, Kelly, & Bollman, 2015]); (b) devolutionary and regressive fiscal strategies at both federal and provincial levels have compounded the already-strained ability of municipalities to maintain services, let alone provide new resources (Martin, Paget, & Walisser, 2011); and (c) economic and policy shocks have made rural communities acutely aware of their economic, social, and even environmental vulnerabilities.

There are multiple implications emerging from these strategies: (a) the institutional and policy structures and practices of rural Canada have largely served the political and economic goals of federal and provincial governments, but with little eye to the long-term vulnerabilities, sustainability, or resilience of rural and small Canadian communities; (b) rural governance is embedded within a neoliberal political economy of rural Canada that is both historically and currently structured toward the political, economic, and social marginalization of rural peoples; and (c) there is a broader urban and rural shift toward sustainability and sustainable communities, albeit with some benefits (Hallstrom, Ashton, Bollman, Gibson, & Johnson, 2015; Hallstrom, Hvenegaard, Stonechild, & Dipa, 2017) embedded in a form of rural governance that simultaneously empowers and disempowers local communities through state-based devolution, capacity-building, and even collaboration (Shearmur & Poirier, 2015; Martin, Paget, & Walisser, 2011; Hallstrom, 2012).

## **1. Method and Material**

This article argues that current forms of rural governance, and the accompanying policy structures for rural development at both federal and provincial levels, align with a Foucauldian understanding of neoliberal governance, wherein “[n]eoliberalism should not be identified with laissez-faire, but rather with permanent vigilance, activity, and intervention” on behalf of the state (quoted in Fletcher, 2010, p. 173). While neoliberalism is commonly understood as economic reform measures linked to privatization, financialization, and austerity, numerous authors have noted that this can also be understood as an ideology. From that standpoint, neoliberalism is focused upon the relationship between economy and governmental order, but also as a strategy for governing human action. While having been applied to a diverse range of subject matter—e.g., conservation (Fletcher, 2010); urban planning (Mackay, 2016); ethics (Hamann, 2009); and energy politics (Shrivastava & Stefanick, 2015)—it has rarely been applied to the rural context (see Nousiainen & Pylkkanen, 2013) and not specifically to understand the rural development question in Canada. In fact, a recent book examining

neoliberalism in Canada (Evans & Smith, 2015) pays little attention to rural issues, and the chapter on Albertan neoliberalism emphasizes executive and party dynamics.

Adopting a Foucauldian stance positions neoliberalism as a governmentality that is particularly germane to understanding the failure of rural development (Foucault, 1991). Rural communities not only remain subject to state intervention, albeit under a different guise, but do so willingly, as “they have been created as subjects who produce the ends of governing by fulfilling themselves rather than obeying any particular rule or ruler” (Nousiainen & Pytkkanen, 2013, p. 74). In other words, rural development in Canada has been less an exercise in facilitating the developmental goals of managing social risk and inequity, but rather an effective strategy of biopower—a strategy where the state actively creates economic actors (*homo economicus* and *civitas economicus*) not only for the economy, but throughout all sectors of society. Biopower seeks not just to impose sovereignty over subjects, but rather constructs a system of authority driven by cost-benefit and economic growth. For rural citizens and communities, the corresponding policy discourse is one of self-help, an ideological shift “based upon notions of individual and community responsibility, self-help and ‘bottom-up’ techniques which mobilise the skills and resources of the local community and consequently ‘empower’ it from the imposing structures of government programmes” (Herbert-Cheshire, 2000, p. 203, quoted in Martin, Paget, & Walisser, 2011). Such a shift, however, is not driven simply by the needs for financial efficiency or political autonomy. Rather, it is entirely consistent with the creation of “external incentive structures within which individuals [and communities], understood as self-interested rational actors, can be motivated to exhibit appropriate behaviours” (Fletcher, 2010, p. 173) that service the political and economic goals of the market-state. Here, the focus is upon maintaining structures that facilitate capital extraction and increasing the opportunity costs of living/working in rural Canada, rather than supporting the development of rural places or peoples.

This article explores this logic of rural governmentality in two ways. First, it examines the congruence between “rural policy” (or lack thereof) since the 1960s and the shift to a third phase of neoliberalism. Second, it examines how that third phase of neoliberalism may be understood not just as an economic strategy, but also as one of neoliberal governmentality, as a practice of governing from a distance (Baum, 2012). Using Alberta as a case study, the paper then examines the functionality of governmentality in light of two critical economic sectors, energy and agriculture.

The article is composed of three parts. The first sets out the argument and relevance of situating or applying Foucault’s neoliberal governmentality to rural development, and explains how developmental strategy is one of biopower, economic agency, and a

permeation of all sectors with a market-based logic. The second part aligns that strategy with the broader historical evolution or application of neoliberalism in Canada, from the earlier “roll-back” of state-based intervention, to more recent “roll-out” of neoliberal governance and regulation, in terms of rural development. It places particular emphasis upon the component elements of the shift to place-based, localized, and bottom-up responses to economic, social, and ecological challenges in rural communities, leading to a third phase consistent with governmentality. Finally, the paper then shifts to a provincial case study and examines Albertan neoliberalism from the standpoint of governmentality.

As one of the wealthiest, but also most resource-dependent provinces in Canada, and with a clear dichotomy of both rural and urban populations, Alberta presents an example of governments that have increasingly sought to “get out of the way” even as they restructured rural development away from fiscal policy and toward a “marketplace” of communities driven by the three C’s of competition, collaboration, and capacity-building. As this article demonstrates, when positioned against those neoliberal goals, and particularly within Alberta, rural development has *not* failed. Rather, it demonstrates the success and authority of rural governmentality as a methodology of rule for the neoliberal state. That methodology benefits the power of the state by redefining the very role of the positive state even as it restricts demand for public intervention in favour of competitive rural agents working with a market-state (rather than a market-place). Importantly, and as the Alberta case shows, this redefinition has come to be seen as not only “natural,” but beneficial by the very populations who bear the costs of both the historical and emergent models of rural policy and development.

## **2. Neoliberalism and Rural Policy in Canada**

Martin, Paget, and Walisser (2011) provide a useful dichotomy for understanding the evolution of rural policy in Canada as a general concept, one that aligns well with the shift toward third wave or neoliberal governmentality as outlined above. Specifically, they note an initial policy design of *directive intervention* (characterized by legislative imposition, forced consolidation or regionalization, and structural reform without significantly altering the underlying constitutional status quo) and *facilitative intervention*, wherein the diversity of the 4700+ municipalities in Canada is acknowledged and met with a more adapted, bottom-up approach characterized by New Public Management. Directive intervention began in the 1960s, but was modified in the early 1980s to become a “strategy of gentle imposition” (Tennant & Zirnhelt, 1973). While large-scale, top-down reforms continued to take place across Canada, the movement (particularly in Alberta)

was toward capacity-building for endogenous development, collaboration, and “soft power” strategies such as incentives.

The transition to this mode of neoliberal governmentality was particularly apparent following the victory of Stephen Harper and the Conservative Party in the 2006 federal election, although its roots lie in the 1980s. At this time, rural policy design was reoriented toward “place shaping” (Martin, Paget, & Walisser 2011), place-based policy, asset-based approaches (Kretzmann & McKnight, 1993; Flora & Emery, 2006), and the governance of rural communities “from within” on the basis of local strengths, priorities, histories, and relationships, and balanced with exogenous (provincial or federal) funding, policies, and strategies. This approach spoke to developmental strategies of empowerment, community individualism, the autonomy of small governments and spaces, creativity, and sustainability at the local level. However, when viewed through the lens of governmentality, the strategy was also one of prioritizing economic growth, withdrawing fiscal supports, capitalization, and competition for investment, markets, populations, grants, and innovation.

These shifts are far from unique to Canada (e.g., Hodge & Midmore, 2008) and overlap with both the transition away from sectoral emphases (i.e., first agricultural and then agricultural/natural resources) and implementation *foci* that emphasize the local. At the same time, such shifts occurred with corresponding goals of: (a) slowing or reversing government growth; (b) re-orienting toward privatization and even entrepreneurship in some contexts; (c) increased use of information technology for public services; and (d) the emergence of an international program for public management. The logic of comparative advantage and competitiveness permeates the broader question of rural development in Alberta. Communities must build capacity, collaborate, and “help themselves” in order to compete as part of neoliberal governmentality. They are urged to do so through a number of strategies: (a) operationally, by reducing capacity deficits and remedying the perceived deficiencies of the community and its citizens; (b) transactionally, by increasing collaboration, partnerships, and resource/service sharing; and (c) structurally, by systemic modifications that have created a highly competitive market for rural communities for increasingly scarce government resources, grants, taxpayers, industrial and private investment, and services. In turn, when these strategies “fail,” it is the fault of the market-placed individual or community, but not as a result of state-based sovereignty. Rather, it is an exercise of biopower, where the state retains the power to “make [rural communities] live and let die” (Fletcher, 2010, p. 175).

As others have noted (e.g., Fletcher, 2010; Shrivastava & Stefanick, 2015; Mackay, 2016; Hamann, 2009, the shift to facilitative intervention corresponds to the transition from roll-



back neoliberalism to roll-out neoliberalism. In turn, the rural policy emphasis upon place (community) and the 3 C's of rural development thus becomes a methodology of governmentality—a practice of governing at a distance that perpetuates the illusion of autonomy, responsibility, and self-help, while simultaneously supporting the underlying agenda of markets, individualism, and deregulation (Baum, 2012). In Alberta, this methodology has hinged upon a highly asymmetrical, extractive relationship between productive cores and rural, extraction-based peripheries that has generated immense profits, but also perpetuated both the “staples trap” (Watkins, 2015) and a reliance by rural communities upon a system of both governmental and resource extraction.

## **2.1. Competition**

The primary strategy that has emerged to support both rural citizens and communities is the development of policies that enhance or support competitiveness, self-reliance, and entrepreneurship in rural areas. Such strategies not only resonate with the historical self-identification of rural citizens, particularly settler-farmers in Western Canada, as self-sufficient, hard-working, and independent, but are also consistent with the broader individualization of risk. Whether concerned with social, economic, environmental, or other forms of risk, the trend has been away from both the democratizing imperatives of the past (e.g., Dryzek, Downes, Hunold, & Hernes, 2003) to one where the “risks of contemporary life have been redistributed from the state and the economy to the individual” (Cheshire & Lawrence, 2005, p. 438). Such perspectives apply equally to neoliberal governmentality for rural Alberta—collective action and capacity-building become mechanisms to broader ends (i.e., the participatory goals of freedom, ownership, autonomy, reduced risk, and, most importantly, increased efficiency) (Berner & Phillips, 2005).

Not only does this structure place the onus upon the individual, whether citizen or community, to take on an expanded range of socio-economic obligations, often, in the case of rural municipalities, without the legal or political authority to do so. But it also places the burden of “failure” squarely on the individual, despite the exogeneity of globalizing processes and state-based action. As Beck and Beck-Gernsheim (1996) note, “should they [communities] fail ... [they] lie as individuals on the bed they have made for themselves” (quoted in Cheshire & Lawrence, 2005, p. 438). Competition, therefore, is implicitly a core element of the neoliberal shift toward individualism. Individuals, industries, and communities must “do-it-for-themselves” with the assumption that there is not only equality of opportunity, but even equality of condition amongst the competitors (Craig, 2007; Kantola & Squires, 2010).

## 2.2. Capacity-Building

Capacity has become a key term in public policy, administration, and organizational development in recent years (Labonte & Lavarack, 2001; Gibbon, Labonte, & Lavarack, 2002). Generally understood to include both the capacity to decide (self-determination) and the capacity to act (implementation), there has not yet been a definition created that comprehensively defines capacity or capacity-building across multiple fields and academic streams. Capacity has become both a gap to be filled, and a potential solution for the contemporary challenges of decision-making, policy design, program development, evaluation, and sustainable development.

Such solutions are particularly resonant for rural communities. Many rural Albertans maintain strong links to a resilient agricultural identity that, while now largely industrialized, is only two or three generations removed from homesteading. As such, elements of that rural identity also resonate with a desire for a smaller role for the state and greater opportunity for individual success. Rural individuals, and in turn communities, have long prided themselves on cooperation, independence, resilience, and self-sufficiency. Capacity-building, in many ways, resonates with such values and the sense that rural communities can, and should, exert control over their futures through self-help and increased autonomy (Beckley, Martz, Nadeau, Wall, & Reimer, 2008). Particularly in the Albertan context, such identities also reflect long histories of social, cultural, linguistic, and institutional distance from capital cities and a broader distrust of “city-based” politicians, policies, and decisions (e.g., the urban-rural divide between NDP and Wildrose voting in the 2015 Alberta provincial election, or the division between Conservative, Liberal, and NDP voters in the 2015 federal election [Taylor-Vaisey, 2015]).

## 2.3. Collaboration

While there are varied definitions for collaboration, a broad synthesis provided by Wood and Gray (1991) points to some key attributes: “Collaboration occurs when a group of autonomous stakeholders of a problem domain engage in an interactive process, using shared rules, norms and structures, to act or decide on issues related to that domain” (p. 146). As the absence of a national rural policy in Canada and Alberta demonstrates, rural communities face not only constitutional constraints, but also the fragmentation and specialization of numerous departments and ministries whose work impacts or touches upon rural life.<sup>1</sup> Particularly as rural locales become functionally less synonymous with agricultural populations, collaborative responses have emerged as a way to yield greater

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<sup>1</sup> In November 2014, Alberta released its Rural Economic Strategy and Action Plan, but the combination of content and a change in government led to little, if any, action.

community-based benefits and support rural communities' and organizations' resilience (Hallstrom, Dymchuck, & Woodhead-Lyons, 2018).

In keeping with this, collaboration is broadly consistent with the broader shift toward governance and the realization (e.g., Atkinson & Coleman, 2005) that while political-bureaucratic relationships and power still matter, there has been a much broader shift and dispersion of authority beyond governments (Wood & Gray, 1991). However, while this can be framed as both a positive democratic imperative (Dryzek, 1996; Strange, 1996; Dryzek et al., 2003), multiple authors (Larner, 2005; Larner & Butler, 2005; Larner & Craig, 2005; Geddes, 2006; Kantola & Squires, 2010) have noted that it is also consistent with neoliberal, market-structured conceptions, alternatives, and solutions. This takes place in many ways by embedding collaboration within a broader, market-like structure where the efficiencies, economies of scale, and reciprocal benefits of collaboration and partnership all reinforce the individualist, devolutionary, and particularly competitive aspects of neoliberal governmentality for both *homo economicus* and *civitas economicus*.

### **3. The “Rural Alberta Advantage”**

As Epp (2008) notes, rural conceptions of rural Albertan identity often hinge on self-reliance, self-sufficiency, independence, and an antagonism toward debt of any kind, coupled with a long-standing willingness of both provincial and federal governments to offset the inequities created by markets (or their failure) with spending. This has included state-owned agricultural facilities in the 1910s, debt-relief and land-lease programs in the 1930s, public electricity in the 1940s, seniors' lodges in the 1950s, hospitals and fuel subsidies in the 1970s, and, in 2008, the creation of the short-lived Rural Alberta Development Fund (a \$100 million “endowment” for rural innovation, entrepreneurship, development, and social supports that was spent and closed within four years). At the same time, rural communities since the 1980s have increasingly been left to fend for themselves as recreational venues for city dwellers, sites for massive industrial and/or agricultural developments, or dumping grounds for the by-products of cities, industry, and mega-projects like hog barns or hazardous waste disposal (Epp & Whitson, 2009).

The historical and political emphasis for rural Alberta, particularly under Progressive Conservative governments since the election of Ralph Klein in 1992, has explicitly been on economic growth through energy, agriculture, and forestry (SORC, 2015), yet within a model that has increasingly downplayed or degraded the social and compensatory pillar of rural development (Mackay, 2016). This model has created significant “wins” (as evidenced by the relative size and revenues generated, particularly by oil and gas, but also by agriculture) from an economic standpoint, but also significant inequities between

provinces and within and between rural communities. In other words, rather than a “rising tide that floats all boats,” the continued policy framing of agriculture and extractive industries such as oil and gas as synonymous with rural has contributed to the very factors that constitute the rural problematic (i.e., declining populations, urbanization, industrialized agriculture, shifts to service/retail industries, municipal revenues, and school closures) within the province.

This is, perhaps, at the heart of Blake’s (2003) assertion that rural development in Canada, and certainly Alberta, has failed. For over four decades, the provincial government has pursued a model of significant industrial spending in order to facilitate economic growth from, and for, the private sector. Coupled with declining compensatory or social spending that is often or increasingly short-term, limited in scope, and politically, rather than developmentally, motivated, this pattern is consistent with roll-out neoliberalism (Shrivastava & Stefanick, 2015; Mackay, 2016) in which institutional and regulatory restructuring leads to a form of governmentality that is “so embedded in common sense as to be taken for granted and not open to question” (Harvey, 2007, p. 5). This occurs even as the direct and indirect costs of that “common sense” leave rural Alberta home to many of the social, environmental, cultural, economic, and even political costs of that extraction (Epp, 2008; Epp & Whitson, 2009).

In the case of rural Alberta, it is a strategy that embeds the 3 C’s of rural development into that logic of neoliberal governmentality—a strategy that relies upon both facilitating the extraction of wealth and convincing rural citizens and municipalities that such actions are not only beneficial, but the *only* mechanism through which social risks can be mitigated. As Fletcher (2010) notes, rural governmentality prescribes “very different methods of influencing subjects’ behaviour in accordance with state goals via-a-vis the population as a whole” (p. 175), with a particular emphasis upon external structures, cost-benefits, and economic growth. In turn, the focus of strategies such as the 2014 rural Action Plan, legislative reforms such as the Land Use Framework and revised Municipal Governance Act, and the collaborative Alberta Rural Development Network (a partnership of all public post-secondary institutions in the province), capacity-building and competition can, and should, be interpreted as more than interventions to facilitate rural development. Rather, they are also part of an on-going practice of a provincial government “getting out of the way,” even as the market of *civitas economicus* becomes entrenched.

This pattern has been identified more broadly. Patten (in Evans & Smith, 2015) notes that the scope for progressive activism in Alberta has been historically very limited. Moreover, as essentially a one-party state between 1935 and 2015, the province is also

characterized by a “melding of party and state, a situation ... [where] the governing party has the capacity to shape political discourse and popular understandings of the public interest ... [and where] relations between the government and energy sectors are characterized by a high degree of mutual dependence” (in Evans & Smith, 2015, p. 257). In other words, the policies and interests of the governing party (until 2015) became the public interest, a narrative that underscores the essential political interest of all Albertans in a single, globalized commodity. Thus, while the Albertan commitment to “highly profitable resource extraction, balanced budgets, flat and reduced taxes, unfettered markets and shrinking the role of government through privatization and deregulation” (Evans & Smith, 2015, p. 258) is indeed neoliberal, what is absent from this analysis is the inclusion of rural spaces and peoples, not only as the place where much of that resource extraction takes place (and the costs often externalized), but are also consistently embedded in a path of dependency that supports corporate rather than public interests (Evans & Smith, 2015, p. 266)

The scope of this approach to rural policy in Alberta can be difficult to quantify (e.g., Hodge & Midmore, 2008), but there are some meaningful indicators. The energy sector accounts for approximately 25% of provincial GDP, and average family incomes are significantly higher than elsewhere in Canada. However, Alberta also has higher levels of income inequality than other provinces and spends proportionately less on social programs and services (Shrivastava & Stefanick, 2015). The gap between rural and urban incomes can be as much as 25%, and such inequities may be compounded through reduced or limited access to secondary and post-secondary education, services, retail, business development resources, or declining infrastructure. In turn, fiscal policy in Alberta follows both the general pattern of neoliberalism described by Patten (2015), but when viewed through the lens of governmentality the scope where the province aligns with corporate, “competitive” interests is especially informative.

Specifically, while agricultural spending certainly warrants attention, the scale of public subsidies to the energy sector is particularly notable. Not only are there a variety of methods available to reduce the costs of petro-chemical resource extraction (see Table 1), but the volume of such subsidies is significant. This becomes even more apparent when considered in light of industrial profit margins, the reduction of royalty rates in provinces such as Alberta, and the proportion of revenues when considered against rural and market development spending (Agri-Canada, 2017). When viewed through the frame of rural neoliberal governmentality, such state action can be viewed as a means to facilitate an economic solution to social risk through the accumulation of wealth, but also as an indirect, mitigating practice to the social and economic consequences of earlier deregulations. Yet, as the data below show, the province is home to not only the lion’s

share of energy-based subsidies, but also incredibly profitable energy corporations and a substantial agricultural sector.

Touchette (2015) provides a comprehensive overview of the ways in which oil and gas can recover costs through tax reductions. Estimated at approximately \$2.5 billion annually between provincial and federal reductions, there are four primary mechanisms available for both Canadian and international operations (KPMG, 2015). This has been complemented by Export Development Canada (EDC) spending, which provides an addition \$2.5 billion to the fossil fuel industry (granular details are not available from EDC data in terms of distribution between oil, gas, shale, etc.). In fact, while transactions occur globally, many of the larger transactions from EDC were with oil and gas producers and pipeline companies in Canada and the USA, including TransCanada, Enbridge, Encana, Devon Energy, ConocoPhillips and Phillips 66, and Chevron.

**Table 1. Canadian Subsidies to Fossil Fuel Production 2013–14**

<b>Subsidy</b>	<b>Stage</b>	<b>Est. Annual Amount (\$ mi)</b>
Canadian Development Expense	Field Dev.	981
Alberta Crown Royalty Reductions	Extraction	604
Deep Drilling Credit	Extraction	249
Canadian Exploration Expense	Access and Exploration	159
Atlantic Investment Tax Credit	Access, exploration and Development	136
Other		609
<b>Total (USD mi)</b>		<b>2,738</b>
<b>Total (CAD mi)</b>		<b>2,923</b>

Source: Touchette, 2015, p. 5.

**Table 2: Canadian Public Finance for Fossil Fuels Production 2013–14**

<b>Institution Name</b>	<b>Annual Avg. Finance</b>
<b>Domestic</b>	
Export Development Canada	447
<b>International</b>	
Export Development Canada	2,088
Multilateral Development Banks	176
<b>Totals</b>	
<b>USD mi</b>	<b>2,711</b>
<b>CAD mi</b>	<b>2,894</b>

Source: Touchette, 2015, p. 6.

While there is no doubt that the drop in oil prices in 2015 and a shifting international economic landscape have had a significant impact on the Canadian economy, felt perhaps most sharply in Alberta, nearly \$6 billion in spending does need to be contextualized against not only the scale of profitability within the sector, particularly for the largest producers, but also spending on rural development. While variable from province to province, as can be seen below, particularly when considered in light of urbanization as a normative, ideological, and policy goal, the fiscal reality of Canadian rural “policy” remains extractive, economic, and international in orientation. As Table 3 shows, the top ten producers in the country, who accounted for approximately 50% of the total production in Canada, mostly garnered significant profits, while paying just over 9% of the total tax burden in the country (NRCAN, 2017).

**Table 3: Top 10 Private Upstream Producers in Canada, 2013–14**

Company	HQ	2013 Profitability (\$mi)	2014 Profitability (\$mi)
Canadian Natural Resources	Canada (Calgary, AB)	2,597	2,263
Suncor Energy	Canada (Calgary, AB)	2,026	2,496
Husky Energy	Canada (Calgary, AB)	1,263	1,557
Shell	Netherlands	827	860
ConocoPhillips	USA	-1,085	-1,042
ExxonMobil	USA	-3,030	-2,195
Cenovus Energy	Canada (Calgary, AB)	-301	314
Encana	Canada (Calgary, AB)	-324	107
Penn West Exploration	Canada (Calgary, AB)	946	953
Apache	USA	323	148
<b>Total</b>		<b>3,242</b>	<b>5,461</b>

Source: Touchette, 2015; Rystad Energy, 2015.

Much like the energy sector, agricultural spending in Canada is significant, and while government expenditures as a whole are declining, it is still considered to be at a historical high, with spending in 2016 exceeding \$5 billion (AAFC, 2017). Since the late 1980s, federal governments have contributed an average of \$3.6 billion per year to agriculture, while provincial governments have added another \$2.7 billion (AAFC, 2017, p. 106). These amounts, of course, are not distributed equally between the provinces and territories. While the percentage of agricultural GDP constituted by governments varied from 13.2% in British Columbia to 36.5% in Newfoundland and Labrador (with Alberta, Nova Scotia, and Prince Edward Island coming in a close second, third, and fourth



respectively), the general ratio of provincial-to-federal spending roughly follows national averages. Perhaps more importantly, the dollar amount involved can vary from a low of \$32 million in Newfoundland and Labrador (almost all of it provincially sourced) to approximately \$1.3 billion in Alberta (split evenly between federal and provincial sources).

When considered at a more granular level, agricultural spending in Canada reflects a substantial emphasis upon program payments by both federal and provincial governments, but with different priorities (AAFC, 2017, p. 108). For example, federal priorities favour safety spending, followed by research and design, and then operating and capital expenses. For the provinces, priorities fall to an “other” category (such as taxes, extensions, and education) first, followed by operating and capital, then rural and market development, with safety spending the lowest.

Perhaps of greatest relevance here, however, is rural and market development spending in comparison to all others. Not only is it the lowest area of spending (both for the federal government and when government spending is aggregated), but the reality is that despite the name, much of this spending has been on market development rather than rural or community economic development. For example, prior to its formal closure in 2013, the constituent programs of the AAFC for rural and cooperative development (the Canadian Rural Partnership and the Canadian Development Initiative) received funding envelopes of only \$4 million and \$3 million per annum, respectively, and received less than \$45 million for the last five years of its existence. These programs were charged with: (a) enhancing the competitiveness of rural regions; (b) fostering the transformation of local ideas and untapped assets to sustainable economic activities; and (c) facilitating the development of new economic opportunities from existing natural and cultural amenities (AAFC, 2013). Yet even the now-defunct federal investments in rural populations were both clearly embedded in economic priorities, and already shifted toward a place-based, neoliberal governmentality of rural Canada.

While perhaps difficult to contextualize without a broader analysis of Canadian federal and budgetary priorities (e.g., NRCAN, 2017; PWC, 2017), banking, energy, and transportation (rail) companies consistently rank at the top of the Canadian economy in terms of profitability (The Globe and Mail, 2017b). Similarly, a quick review of the top 50 companies receiving government funding shows a comparable distribution between energy, agriculture, manufacturing, and some clean technology and telecommunications (The Globe and Mail, 2017a). Such correlations help reinforce the economic and staples-based history of the country, as well as a significant portion of the GDP, but, as the Alberta case illustrates, are also complemented by decreasing social, ecological,

economic, and community-based spending to off-set the risks created by extraction (Statistics Canada, 2018).

## **Conclusion: The Success of Rural Development?**

Partnership-based and collaborative approaches, particularly for community development and sustainability, are in many ways a common-sense solution to issues of limited capacity, information, and communication. As initiatives such as integrated community sustainability planning, and the expansion of sustainable development from three to four or even five pillars (social, ecological, economic, cultural, and governmental/institutional) have emerged in recent years, it has become increasingly obvious in numerous policy domains, such as public health, environmental policy, natural resource management, and even economics, that the bureaucratic impetus toward compartmentalization, specialization, and targeted policy instruments and interventions has several shortcomings. In turn, creating and utilizing collaborative methods such as partnerships, clusters, teams, and even crowdsourcing have been put forward as ways of generating “value-added” research, participatory action, planning, policy, and governance activities taking place in small, rural, and removed communities. Such initiatives are commonly seen as means to improved or increased access to resources, to create efficiencies and avoid redundancies, to foster or contribute to community-based autonomy and responsibility, and to increase or improve the problem-solving capacity of the partners or communities involved.

From a cultural and especially a rural standpoint, programs that foster individual capacity, competitiveness, and efficiency are generally seen in a positive light. Phrases such as “helping people help themselves” and “a hand up, not a hand out” resonate across both Canadian and American socio-political culture. While there may be regional differences, they are consistent with what political sociologists such as Seymour Martin Lipset (1996) and Jennifer Hochschild (1981) identify as different orientations toward “equality of opportunity” and “equality of condition.” Specifically, the broader values of neoliberalism echo an emphasis upon not just economic, but social equality of opportunity throughout all sectors of the polity. Thus, neoliberalism facilitates a model where both citizens, and communities, can and should have an equal opportunity to compete, whether for economic success or social equity. The counterpart, of course, is that it is markets, or rather the market-state, that become determinants of “success” for rural communities, and are largely the recipients of the benefits derived from such success.

Citizens, corporations, and municipalities must increasingly align their priorities with the demands, or expectations, of an entrepreneurial and competitive rural domain as a necessary condition for the benefit of families and communities (Cheshire & Lawrence, 2005). Such an alignment creates a double-edged sword—rural and regional development is “placed” in the hand of local communities, yet the developmental paths available to *civitas economicus* are largely in place as a part of rural governmentality. They are, as noted above: (a) ideologically pre-determined as competitive; (b) path-dependent as both market-based and individualized; and (c) embedded in broader, global dynamics of comparative advantage, increasing inequities, and individualized responsibility.

Situating rural development within this logic of neoliberal governmentality unearths an interesting perspective on the claim that rural development in Canada has failed. From this perspective, the failure of rural development happens only when that development is considered against the progressive goals of the welfare state (i.e., equity across and within the population). Such goals, however, are not consistent with those of third-phase neoliberalism and neoliberal governmentality. Those ideological and power positions are Janus-faced. On the surface, they promote economic growth and withdrawal of the state. However, a critical perspective also reveals the permeation of market logic throughout society, a sustained role for the apparatus of the state, and the adoption of a rationality that suggests there is simply no alternative. When positioned against those neoliberal goals, rural development, particularly within Alberta, has not failed. Rather, it demonstrates the success of Foucauldian neoliberalism as an ideology, and rural governmentality as a methodology of rule. That methodology benefits the power of the state, restricts demand for public intervention in rural places, and has come to be seen as not only “natural” but beneficial by the very populations who bear the costs.

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<sup>i</sup> Earlier versions of this work were presented at conferences in 2012 and 2016. The author is particularly grateful for the insights of Dr. Sandra Rein, and the comments and suggestions from the blind reviewers. All errors are, of course, the responsibility of the author.

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