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On the Frontlines

Rural Economic Resilience and Diversification
in an Age of Tariffs

September 2026



CSA Public Policy Centre

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Acknowledgements

The author would like to thank Shannon Furness for her research assistance and the reviewers for their helpful feedback.

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Executive Summary

The Canada/U.S. trade relationship has become increasingly fractured with the introduction of U.S. tariffs on Canadian exports of aluminum, steel, copper, softwood lumber, automobiles and other non-CUSMA-compliant exports in 2025. These tariffs, and Canada's responding counter-tariffs, have forced rapid changes in global international trade relationships. In response, Canadian policymakers have made numerous commitments to address Canada's economic autonomy and sovereignty, and to diversify Canada's relationships with other international trading partners.

While the tariffs have been felt across the country and the entire economy, much of rural Canada has been at the frontlines of these economic shifts. The impacts of tariffs vary across rural communities but are most acute in areas with natural resources and industry-dependent local economies, heightening policy attention on diversifying rural economies. This report explores how Canadian policymakers can embrace the inherent strengths and assets in rural communities to support economic resilience and diversification efforts using sustainable, community-led and place-based approaches. This report concludes by identifying policy options for federal, provincial/territorial and municipal governments to consider in the current political context.

This report has three key findings:

1

One size does not fit all for rural economic diversification efforts. Local, place-based approaches are essential for ensuring economic diversification strategies are sustainable and reflective of community priorities and needs. Rural communities that identify and lead their own economic diversification initiatives are more successful over the long-term than top-down approaches.

2

Canada's historical reliance on the success of its extractive industries has resulted in an under-investment in value-added processing and the industrial infrastructure needed to integrate domestic supply chains. Shifting this mindset is essential for Canada to remain competitive in an evolving global economy.

3

Data gaps and poor uptake of existing data and tools regarding rural economies hinder the ability of Canadian policymakers to respond effectively. Much of the available Canadian data on tariff exposure is at the census metropolitan area level, which fails to account for the varied economic impacts on rural communities. At the same time, there is a wealth of data and tools that provide a strong roadmap for how to support resilient, future-ready rural regions, but these tools have had limited uptake by decision-makers to date. Strengthening Canada's data ecosystem on rural economies is critical to ensure that future public policy initiatives on rural economic diversification are responsive, targeted and evidence-based.

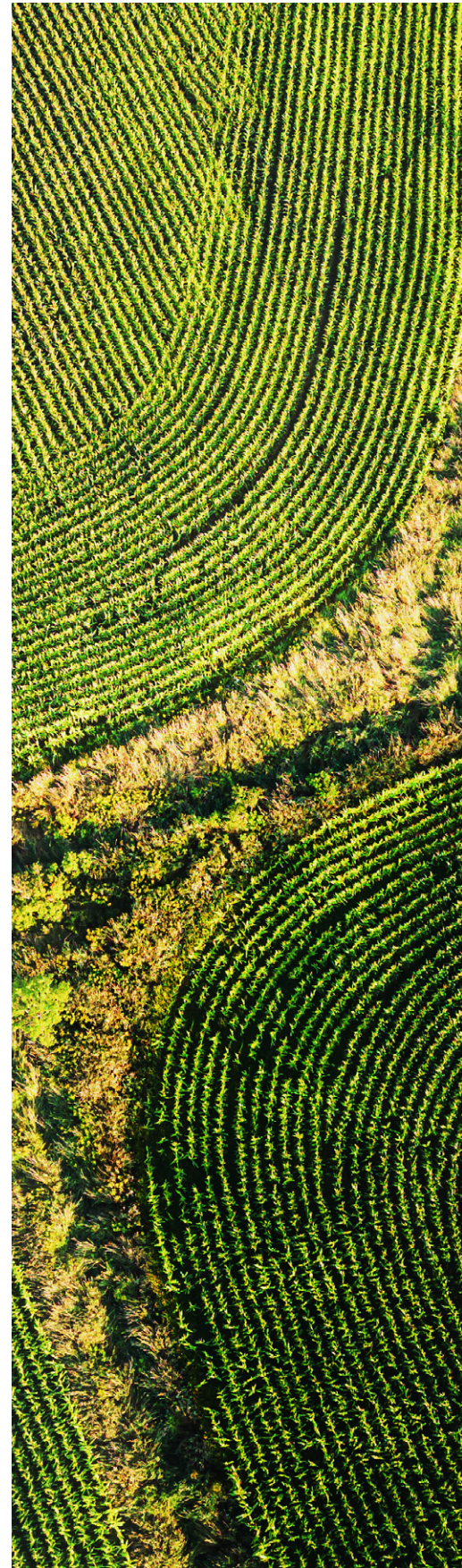


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Introduction

The introduction of U.S. tariffs on Canadian exports in 2025 significantly destabilized international trade relationships, resulting in major supply chain disruptions and increased volatility and uncertainty for Canada's economy. Despite some early indications that Canada's economy has fared better than anticipated,¹ tariff-exposed sectors such as automobiles, steel, aluminum and softwood lumber continue to experience significant economic shocks, resulting in lower levels of production and employment for Canadian workers.²

Tariffs and trade uncertainty have placed economic autonomy and diversification front and centre in Canada's public policy agenda. For example, the Government of Canada recently announced strategic policy interventions to support Canada's lumber and steel industries, as well as a Major Projects Office to advance and streamline regulatory approvals for major infrastructure projects that are expected to stimulate economic growth across the country. The Government of Canada also announced a Regional Tariff Response Initiative, targeted towards small- and medium-sized enterprises (SMEs) and non-profit capacity-building organizations in tariff-affected sectors.³

For rural communities in Canada with sector or industry-specific local economies, this renewed attention on the issue of economic autonomy and diversification is long overdue. However, many of Canada's policy responses to tariffs and trade uncertainty to date have focused on stabilizing businesses in key rural industrial sectors rather than the local rural communities that experience downstream effects, such as reduced tax revenue, job losses, declining populations and increased rates of unemployment.

Moreover, tariffs are not the only challenge rural communities currently face. Significant social, economic and demographic pressures are impacting rural communities in Canada due to long-term policy choices by different orders of government. These pressures include:



Demographic change: Rural communities in Canada are experiencing a range of demographic changes depending on various factors. Some regions are experiencing net population increases in rural areas, which has been partly attributed to the rise of remote work due to the COVID-19 pandemic and housing affordability concerns, resulting in urban outmigration. Other rural areas in Canada are experiencing significant population decline due to a higher prevalence of youth outmigration and aging populations relative to their urban counterparts.⁴ Many rural communities rely on immigrants to sustain their populations and local economies, but fewer newcomers are choosing to settle in rural areas upon arrival. This trend will likely worsen as Canada's overall immigration levels continue to decline.⁵



Barriers to reliable high-speed internet: Currently only 80.5% of rural communities in Canada have access to reliable high-speed internet, in contrast to 95.8% of the Canadian population as a whole.⁶ This digital divide has significant consequences for economic development, education, employment, health care, public safety and social cohesion in rural communities.



Labour and skill shortages: Employers in rural communities face persistent challenges with employee recruitment (30%), labour shortages (20%) and retention (17%).⁷ These challenges are particularly pronounced in certain industries, such as agriculture, skilled trades and health care.



New industrial technologies: Many industries across Canada are now restructuring their workforces in response to new developments in automation, robotics and artificial intelligence (AI). Rural-based industries such as mining and oil & gas have readily embraced these new technologies to improve productivity and workforce safety. In doing so, these industries have started to reshape the jobs available in rural communities, favouring employees with the requisite technical skills who are adaptable and open to retraining.⁸



Devolution of local service delivery:

Municipalities are increasingly shouldering the burden of local service delivery from provincial/territorial and federal governments within a constrained fiscal framework that requires them to maintain balanced operating budgets with limited revenue generation tools.⁹ Further, many municipalities are still recovering from significant pandemic-related revenue losses (e.g., reduced user fees) while also facing growing resident expectations for higher service levels. For smaller rural communities, reduced administrative capacity makes these increased service delivery expectations particularly challenging to navigate.



Disproportionate climate change impacts: Rural communities are particularly vulnerable to climate change due to their geographic location, and long-term underinvestment in climate mitigation infrastructure and local emergency response. The consequences of climate change for rural areas include more unpredictable growing seasons and crop yields, worsening forest fires and drought, loss of ice roads for winter transportation, and reduced opportunities for hunting, fishing and trapping.¹⁰ For example, in the summer of 2023 over 70% of the population of the Northwest Territories—a territory predominantly comprised of rural communities—was forced to evacuate due to wildfires.¹¹



Poor physical and mental health outcomes:

Compared to their urban counterparts, rural Canadians experience poorer mental and physical health, shorter lifespans and higher rates of suicide, especially among youth.¹² These trends are further exacerbated by health care system gaps driven by rural underinvestment, which result in longer wait times, greater distances travelled for health care visits, and fewer services available for rural residents.¹³



While data limitations make it difficult to assess in real time how rural communities have been uniquely impacted by U.S. tariffs, decades of Canadian and international rural research and case studies offer insight into how policymakers can support long-term rural economic diversification in Canada. This report explores this evidence base in the context of the current U.S. tariffs to answer the following questions:

1. How are rural communities in Canada being impacted by U.S. tariffs?
2. What lessons can Canada learn about rural economic diversification, drawing on Canadian and cross-border case studies?
3. How can Canadian policymakers meaningfully support rural communities in responding to the emerging economic and geopolitical landscape?



Why does rural economic diversification matter?

Canada's current economic challenges are not limited to rural communities. Canada's long-standing economic challenges, such as weak productivity, economic stagnation, private sector underinvestment, and slow tech adoption, transcend rural-urban divides.¹⁴ However, there are compelling economic and social justifications for prioritizing rural communities in Canada's future economic diversification and growth strategies. These include:

- **Community vitality:** In some regions, such as Atlantic Canada, declining immigration levels and a rapidly aging population threaten the long-term vitality of rural communities. For example, in rural areas of Newfoundland and Labrador there are only 26 young people aged 15 to 24 for every 100 older adults over the age of 55. If rural communities are not able to meet the replacement demand in the local labour force, some industries such as health care and retail could end up reducing their operations by 2035, which would significantly affect the long-term sustainability of rural communities.¹⁵
- **Economic and social well-being:** Economic diversification promotes community resilience by mitigating the downstream effects of business closures, population loss and increased unemployment. This has important long-term benefits for the economic and social well-being of rural residents, who often have stronger informal ties to the community but limited access to formal social supports (e.g., mental health resources) compared to their urban counterparts.
- **Preservation of strategic industries:** Many industries and natural resources vital to Canada's economic growth are rural, such as agriculture, oil & gas and critical minerals. Overall, rural, remote, coastal and Northern regions of Canada contribute over 25% of Canada's GDP.¹⁶ Sustaining economic activity, community vitality, and liveability in rural areas is essential to preserving industries critical to Canada's long-term economic independence and sovereignty.
- **Shared benefits of economic growth:** Canadian politics has become increasingly polarized across rural/urban divides.¹⁷ This polarization will likely become further entrenched as rural and urban communities experience differing economic trajectories due to emerging technologies such as AI. It is essential the benefits of economic growth and productivity are shared equitably across Canada to avoid perceptions or sentiments that rural communities are being "left behind," which could have lasting long-term effects on Canada's political cohesion.
- **National security and sovereignty:** The development and diversification of rural economies is closely linked to current policy efforts to bolster Canada's economic resilience, security and sovereignty in an increasingly complex and uncertain world.¹⁸ This is particularly important in remote and lesser-populated regions of Canada, such as the North, where Arctic sovereignty remains a significant political priority.¹⁹
- **Urban sprawl, densification and housing affordability:** In urban centres, a preference for low-density housing (e.g., single detached homes) has resulted in significant urban sprawl in some regions of Canada.²⁰ Urban densification strategies such as zoning reform have proven to be useful policy interventions to address urban sprawl, but housing affordability remains a significant challenge for Canadians residing in urban centres. Sustaining rural communities is important to diversify Canada's housing market and provide affordable alternatives.



Defining “rural Canada”

Rural communities in Canada are economically, socially, geographically and demographically diverse, making it difficult to develop a single, universal definition of “rural Canada.”²¹ Despite these challenges, a clear, nuanced and measurable understanding of rural Canada is important for effective policy development and implementation.

Statistics Canada defines “rural area” as an area outside of a population (urban) centre (populations of more than 1,000, with a population density of at least 400 people per square kilometre). This definition contrasts census agglomerations (populations of 10,000+) and census metropolitan areas (populations of 100,000+, with at least 50,000 residing in the core).²²

Some organizations, such as the Rural Ontario Institute, have simplified the Statistics Canada definition by classifying any region outside of a census metropolitan area as rural.²³ Other organizations have relied more on measures of remoteness, assessed using tools such as Statistics Canada’s remoteness index.²⁴ Provinces and territories also use a range of definitions to define rural areas, such as the Government of British Columbia’s use of a hybrid measure that combines population size and remoteness.²⁵

These definitions tend to rely on quantifiable factors—such as population size, density, and distance to density or urban areas—as the “primary components of rurality” and commonly default to a simple urban-rural dichotomy.²⁶ Many Canadian academics in rural studies caution against defining rural as “not urban,” as rural places are heterogeneous in terms of size, remoteness, population density, proximity to larger centres, location, primary industries and other place-based factors.

Further, relying solely on population density or size erases rural communities as they grow and increase in population, despite having other characteristics of rurality (e.g., remoteness). As a result, these definitions often exclude place-based and other contextual factors essential to recognizing the diversity among rural communities, resulting in narrow understandings of what rural can look like.²⁷

To align with existing Canadian policy terminology, this report uses “rural communities” to refer to Statistics Canada’s definition of “rural areas” and “small towns”—subdivisions outside census metropolitan areas or agglomerations. While this may not fully account for the complexity of rural communities across Canada, it provides a useful starting point for policy discussions. Further attention and alignment on the definition of “rural” would be beneficial.

About this report

This report examines how rural communities in Canada are being impacted by U.S. tariffs in different ways and to varying degrees. For many rural communities, the tariffs have been felt primarily through industrial economies dependent on natural resources and cross-border trade. Drawing on lessons learned from Canadian case studies and American research on the transition of manufacturing towns in the American Rust Belt, this report offers several recommendations for Canadian policymakers to consider in response to the changing geopolitical and economic landscape.



Section 1 focuses on the current Canadian context, exploring the historical evolution of rural economies in Canada, previous policy initiatives to address rural economic diversification, and what we know about how rural communities are currently being affected by U.S. tariffs. Three Canadian case studies are offered to demonstrate some of the economic diversification strategies rural communities already explored prior to the introduction of U.S. tariffs.



Section 2 considers cross-border perspectives, drawing on specific lessons learned from the decline of manufacturing towns in the American Rust Belt and other communities that have experienced industrial transitions in the United States.



Section 3 offers recommendations for how federal, provincial/territorial and municipal policymakers in Canada can support rural communities in building resilience and diversifying their local economies to adapt to the new economic and geopolitical environment.

1. The Canadian Context

1.1 Historical evolution of rural economies in Canada

Historically, much of rural Canada developed economically around the extraction and export of natural resources for domestic and international markets.²⁸ The federal government encouraged and accelerated this orientation towards resource dependence through physical infrastructure, subsidized farmland and major investments in local extractive industries such as oil & gas, mining and forestry. In many ways, resource dependence was not inevitable or a natural part of rurality, but rather a deliberate choice of governments over the course of Canada's economic development.

This model is often described as the "staples theory," referring to the central focus of the Canadian economy on the extraction and export of minimally processed natural resources, or staples.²⁹ This economic orientation positions rural communities in Canada as "price takers," inherently vulnerable to fluctuations in commodity markets and industrial decision-making by multinational corporations.³⁰ As a result, rural communities in Canada are quick to feel the effects of market fluctuations in supply chains for raw materials, and these fluctuations have only accelerated in an increasingly globalized and integrated economy.³¹

Rural communities that depend heavily on extractive natural resource industries often become increasingly reliant on foreign ownership for economic prosperity. This can divert local resources away from long-term economic diversification efforts that could better support the local community and economy.³² In some rural communities in Canada today, natural resource economies such as agriculture, forestry and mining sustain up to 50% to 100% of the local labour force.³³

This traditional economic model in Canada's rural communities is quickly becoming less relevant in an era of increasingly globalized and interdependent global economies, climate change policy commitments, investment in renewable energy sources and rapid technological advancements, including AI and automation. Instead of taking a space-based approach that prioritizes land availability and proximity to natural resources, policymakers are increasingly recognizing the importance of place-based factors in supporting rural communities. These include economic diversification, labour supply, physical and virtual connectivity, cost of living, quality of life and climate resilience, which are increasingly important to the long-term sustainability of rural communities and their social and economic livelihoods.³⁴



1.2 Rural economic diversification efforts in Canada, past and present

Since the 1980s, rural economic diversification has been a feature—though rarely the main focus—of federal and provincial rural policies and programs in Canada. Policymakers have instead focused on diversifying rural economies and their export markets through broader economic and regional development ventures,³⁵ and occasionally through sector-specific economic restructuring programs in resource-based industries and local communities.

The Government of Canada's most significant contributions have been the creation of several regional development agencies (RDAs) that fund and deliver programs for economic growth, diversification and business development at a regional level.³⁶ Another key initiative is the Community Futures Program (CFP), which funds and supports community-level economic growth, diversification and sustainability in rural areas through volunteer-run organizations.³⁷ The RDAs and the CFP were first established in the 1980s, amid a deep recession³⁸ that caused significant job losses and reduced support for rural regions, to help rural and remote communities undergoing economic transitions.³⁹ Both continue to operate today, often in collaboration with similar rural economic development initiatives at the provincial and municipal levels.

“Since the 1980s, rural economic diversification has been a feature—though rarely the main focus—of federal and provincial rural policies and programs in Canada.”



However, years of stagnant and inadequate funding have raised concerns about CFP's long-term viability to meet the demand for service in rural Canada, especially in regions where the CFP serves as the only point of contact with the federal government.⁴⁰ Similarly, attempts at government restructuring and reform over the last 20 to 30 years have contributed to many of the challenges rural communities face today. To encourage a greater role for the private sector and address fiscal issues, federal and provincial governments reduced the size of the public service and devolved various responsibilities to the local level, including those related to social and economic development, without additional financial or human resources necessary for rural municipalities to fulfil these roles and maintain service levels.

Governments have occasionally created programs for rural economic diversification, which are usually sector-specific responses to communities experiencing significant economic challenges or declining natural resource industries. Some examples are illustrated in the table below.

Strategy	Focus
Newfoundland and Labrador Fisheries Diversification Program ⁴¹	Target: Sector-specific This program was established after the collapse of the cod fishery in the 1990s to help displaced workers transition into new industries. It initiated the province's economic expansion in oil, tourism and the tech sector.
Government of Canada Coal Transition Initiative ⁴²	Target: Sector-specific This initiative supported coal workers and communities (such as Estevan, Saskatchewan)⁴³ affected by the transition away from coal through skills development, infrastructure projects and other economic diversification initiatives. It operated from 2018 to 2023.
British Columbia Rural Economic Diversification and Infrastructure Program	Target: Broad (rural BC) This initiative funds projects that promote economic diversification, clean growth and capacity building in rural and remote areas, with a focus on forestry-impacted communities.⁴⁴
Manitoba Film and Digital Media Tax Credits	Target: Sector-specific These tax credits, which include bonuses for filming in rural and northern areas, have helped position the province's urban and non-urban areas as a regional hub for the Canadian and U.S. film industries.⁴⁵

Due to challenges related to climate change, population and demographic change, global supply chains and protectionist trade policies, governments are increasingly prioritizing rural economic diversification. At the federal level, this is reflected in the Economic Development Strategy for Rural Canada (2024), the Western Canada Growth Strategy (2023), and the Building the Green Prairie Framework (2023). Among provinces, diversification is a recurring theme in the rural and economic development strategies of Alberta, Saskatchewan, Manitoba and Ontario.⁴⁶

However, this renewed emphasis on rural economic diversification appears to replicate a longstanding trend by Canadian governments to define rural policy through the lens of resource and industrial development at the expense of more holistic, place-based approaches to rural diversification. Community-led economic diversification strategies have proven to be particularly effective.⁴⁷

For example, Thompson, a northern Manitoba community with a historically volatile extractive economy, has developed its own Economic Diversification Plan to strengthen its role as a regional centre for retail, health, education and government services, while retaining a strong mining and hydroelectricity economic base.⁴⁸

Attracting new investment opportunities has also been a focal point in local diversification efforts. In transitioning away from coal and oil, several rural Alberta communities and municipalities have leveraged their available resources like land, water and rail infrastructure, while offering tax incentives and shovel-ready land to spur new economic activity in the region.⁴⁹ Embracing tourism and recreation has also been a common theme across rural communities, particularly those able to leverage their natural geography or proximity to borders or major tourist or cultural destinations.⁵⁰

1.3 Rural impacts of U.S. tariffs and trade volatility in Canada

The introduction of U.S. tariffs in 2025, and Canada's corresponding counter-tariffs, have been profoundly destabilizing for Canada's economy. Canada and the United States are among each other's largest trade partners and share deeply integrated economies and supply chains.

Prior to the recent introduction of tariffs, Canada exported more than three-quarters of its exports to the United States and imported more than one-third of its total imports from the United States.⁵¹ In 2024, nearly \$3.6 billion in goods and services crossed the Canada–U.S. border each day.⁵² Imports, exports and overall economic output have since declined as Canadian firms adjust to heightened uncertainty and rising costs, particularly in industries that are heavily reliant on U.S. markets.

Trade, and the Canada–U.S. trade relationship in particular, is an economic lifeline for much of Canada, including many rural communities. Canada's top exports to the United States include sectors with strong ties to rural regions, such as natural resources (energy, minerals, forestry), agriculture and agri-food.⁵³ These sectors have also been among the most affected by U.S. tariffs,⁵⁴ exposing rural communities that depend on them to tariff-related uncertainty and potential job losses.⁵⁵ Across 1,800 rural and remote communities in Canada, approximately 30% of the local labour force depends on these sectors for employment—and even more so in communities with comparatively smaller populations.⁵⁶



Canadian agriculture in particular faces a triple burden of volatility from its top trading partners—the United States, China and India. U.S. tariffs on steel and aluminum are driving up costs for farm equipment and parts,⁵⁷ while Chinese tariffs have caused a sharp drop in canola and pea prices for Prairie producers and further uncertainty in the pork market.⁵⁸ Moreover, deteriorating U.S. trade relations with third states, particularly China, creates even more volatility for Canadian agricultural pricing, which relies on a U.S. price reference to establish the value of most commodity grains and livestock.⁵⁹

Forestry, an already struggling industry, has similarly been hit hard, as the recent closures and reduced operations of several sawmills in rural British Columbia and northern Ontario have been attributed to duties and tariffs on softwood lumber that now reach 45%.⁶⁰ The United States's uncompromising position on these protectionist measures underscores the need to find new markets for Canadian lumber. However, the difficulty of shipping lumber globally has led Canadian policymakers to prioritize interprovincial trade, such as by using B.C. lumber to support housing construction in Ontario as part of ongoing efforts to address supply and affordability challenges.

The effects of ongoing trade volatility in rural areas extend beyond the industries directly affected, rippling through local communities more broadly. Remote rural communities already face higher costs for essentials like food, medicine and services due to transportation, labour and other factors. Many rural businesses expect tariffs to further increase these costs and intensify existing labour shortages, with impacts likely to be greater than in urban areas.⁶¹

The effects on the tourist industry vary across rural communities. Those with tourist economies have benefitted from an increase in domestic tourism as Canadians avoid travelling to the United States. However, border towns like Sarnia, Ontario and Emerson, Manitoba are feeling the effects of less cross-border travel on their local economies, many of which have yet to fully recover from the COVID-19 border shutdown.⁶²

The challenges that rural communities face in navigating trade volatility are not just economic but also intersect with the social well-being of both the community and its residents. Rural communities dependent on single-resource industries, or one or a few employers, are particularly vulnerable to the effects of job losses, firm closures or scale-backs.

For 100 Mile House, British Columbia, the sawmill is the backbone of essential services. The anticipated exodus of families following its recent closure has raised concerns about the ability to access child and health care, small business closures and the vitality of the local tax base.⁶³

Ingersoll, Ontario offers a glimpse of the challenges the community faces after the recent closure of the General Motors electric vehicle (EV) plant.⁶⁴ In the past, when the plant scaled back production, the local economic impact was immediate. Social service agencies and food banks saw greater demand, several auto parts suppliers shut down and retail sales declined. Families reported significant financial and mental stress, especially when more than one breadwinner in the household was employed with the same company. Increases in domestic abuse, addictions and illnesses were also observed.



Since U.S. tariffs came into effect, the federal government has introduced several funding initiatives and commitments to support Canadian businesses and industries—rural and urban—in response to the resulting economic impacts. These include:

- A \$1 billion regional tariff response initiative through regional development agencies, to support small businesses to boost productivity and bring their products to market
- A total of \$1 billion in new lending for agriculture and agri-food through the Farm Credit Corporation's Trade Disruption Customer Support Program
- Strategic infrastructure investments to move commodities to markets more efficiently and reliably
- Removal of regulatory barriers to interprovincial trade and labour mobility
- A total of \$280 billion over five years to build a stronger, more resilient Canadian economy, including through rural economic diversification⁶⁵

Unfortunately, the full effects of the U.S. trade war on Canada's rural communities are poorly understood due to data gaps. Many indicators can only assess economic effects using larger census geographic units, such as the Canadian Chamber of Commerce's Tariff Exposure Index (which uses census metropolitan areas), or the Institute for Research on Public Policy's dashboards on community workforce exposure to U.S. tariffs (which uses census divisions at the regional level).⁶⁶ The most robust data about rural Canada is collected through Canada's census, which occurs only every five years.⁶⁷

To date, the impacts of U.S. tariffs on rural communities in Canada have primarily been tracked through anecdotal evidence collected by municipal leaders, regional export development hubs and industry associations. The case studies in the following section offer some further insight into how rural communities in Canada are navigating the current trade landscape and diversifying their economies.



1.4 Canadian case studies

Many rural communities in Canada took proactive approaches to economic diversification and resilience well before the introduction of U.S. tariffs in 2025.

The case studies below do not provide a complete picture of how rural communities across Canada are experiencing and responding to trade and economic uncertainty. However, they offer a snapshot of the long-term strategies some rural communities are adopting to strengthen their local economies, along with lessons that may help other communities facing more recent tariff-driven economic volatility.

These case studies were selected for two primary reasons:

1

Their reliance on tariff-exposed or economically volatile industries, such as oil & gas, agriculture and softwood lumber

2

Their use of novel or innovative approaches to diversify their local economies, including developing incentives for emerging industries and building long-term cross-sectoral partnerships



1.4.1 Vulcan County, Alberta

Located between the cities of Calgary and Lethbridge, Vulcan County is one of Alberta's larger rural municipalities, covering over 500,000 hectares of land. Its economy is based around agriculture, oil and gas, and a growing renewable energy sector in wind and solar. Vulcan County's largest industry is agriculture, encompassing approximately 444,000 hectares of farmland and three operational inland grain terminals.⁶⁸ Renewables first gained momentum in 2013 as part of the County's efforts to reduce its economic dependence on agriculture and oil and gas, which made it vulnerable to commodity market volatility, and to attract new investment and tax revenue.

Reeve Jason Schneider credits several factors for drawing renewable energy developers to Vulcan County. The first is an attractive geography—the County is centrally located between two major cities and has large swaths of open, flat land with a windy and sunny climate. It has also long promoted itself as open to development opportunities, especially projects that are difficult to do elsewhere, provided they benefit the County's financial and social well-being. Vulcan County generally tries to make the approvals process simple for developers and leverages its relatively small bureaucracy to get projects quickly approved at the municipal level.

Today, Vulcan County is home to several of Canada's largest wind and solar energy projects. These include the Travers Solar Project and the Blackspring Ridge Wind Project, with each producing enough clean energy to power more than 140,000 homes annually. Although the projects completed have not been major drivers of employment once operational, they have grown the County's tax assessment base considerably (an estimated \$7 million annually for the 4,500-person municipality).⁶⁹ This has allowed the County to maintain and at times reduce residential tax rates without cuts to municipal services.

While many municipalities in Alberta are currently in a holding pattern with their renewable energy projects due to policy shifts at the provincial level, Vulcan County has been largely insulated from these shifts due to its role as an early adopter.⁷⁰ Renewable energy companies are now Vulcan County's top principal corporate taxpayers.⁷¹





1.4.2 Edmundston, New Brunswick

Considered the gateway to the Maritimes, the City of Edmundston is located in northwest New Brunswick, along the Saint John and Madawaska rivers, at the borders of Quebec and the United States. It is a predominantly Francophone community of about 18,000 and serves as both the main population centre and economic hub for the wider Madawaska region.⁷²

Given its proximity to the United States, Edmundston's economy is closely tied to cross-border trade. For more than a century, it has developed economically around an integrated pulp and paper industry with the state of Maine. Canadian lumber is converted into pulp in Edmundston and routed along with steam energy via pipeline to be made into paper in Madawaska, Maine.⁷³ These two communities are not only connected economically but also by a rich, Acadian heritage and strong community ties that date back to the 19th century.⁷⁴

Edmundston is also home to an international plastics manufacturing sector that produces much of the packaging for food and bulk products in North America.⁷⁵ While Edmundston's ties to U.S. markets have been central to its economic success, it has also left the city vulnerable to trade volatility between the two countries, namely their longstanding dispute over softwood lumber. These concerns have resurfaced in light of the 2025 trade war sparked by U.S. tariffs.⁷⁶

In recent years, Edmundston has focused on diversifying its economy to help buffer itself from this volatility and increase its tax base. Today it is home to satellite campuses of the *Université de Moncton* and the New Brunswick Community College, which generate sales and jobs for the region and help combat youth outmigration to urban centres.⁷⁷

The city has also leveraged its picturesque geography and location along the Trans-Canada Highway to grow its tourism and commercial retail sectors, in partnership with the nearby Madawaska Maliseet First Nation. In 2014, the two communities signed a historic Friendship Accord to pursue joint community economic development—a collaborative approach reflected in ventures like the Grey Rock Power Centre, a 70-acre commercial development comprising several restaurants, a casino, hotel, strip mall and one of Atlantic Canada's largest truck stops.⁷⁸ The Centre, led by the First Nation, is powered by electricity supplied by Edmundston and has become an economic driver for both communities as a commercial and tourist destination.⁷⁹





1.4.3 Greenview, Alberta

Located in northwest Alberta, Greenview is a sprawling municipal district with a landscape rich in oil and gas, fertile farmland and mixed-wood forests. Greenview includes many rural communities, with Grande Cache its largest centre with a population of approximately 3,000 people.

Greenview is also home to the Greenview Industrial Gateway (GIG), a 2,000-acre eco-industrial site focused on manufacturing and processing natural gas with low-carbon emissions. Greenview first started working on the GIG in 2013 by pursuing provincial land and installing necessary energy, water and fibre optic infrastructure. The GIG is now entirely owned and operated by the municipality.

Strategically located in the heart of Greenview's natural gas reserves, the GIG provides the complete infrastructure needed to manufacture low-carbon products, including access to water, electricity, energy, an integrated transportation network and sequestration infrastructure. Several domestic and international companies have purchased land in the GIG with plans for large-scale, environmentally conscious heavy industrial projects, each expected to generate considerable jobs and drive economic activity and population growth in the region.

Most recently, this includes O'Leary Ventures, which in 2024 announced a \$70 billion project to develop the world's largest AI data centre on thousands of acres of GIG land, with the first phase slated for completion by 2027-2028. The AI data centre will rely on off-grid natural gas and geothermal power infrastructure and is expected to achieve a near-zero carbon footprint using a looped cooling system.⁸⁰ The AI data centre is anticipated to provide up to 4,000 construction jobs in the region over the next 10 years and approximately 100 to 150 full-time positions for operations and maintenance.⁸¹



AI Data Centres: The New Frontier of Rural Development in Canada?

Many rural communities in Canada are currently being approached by investors interested in developing AI data centres. These investors often favour northern and rural communities because they offer large amounts of available land, abundant energy sources, and cooler temperatures that help support data centre operations. Some provinces, such as Alberta, have launched AI data centre strategies to streamline and expedite investment opportunities.⁸² These types of opportunities are radically reshaping how rural communities in Canada envision their economic futures in a new and increasingly complex geopolitical environment.

This interest by investors is a spillover effect from significant investments in AI by major technology companies in the United States that have increasingly relied on rural communities for data centre development projects. While some American communities have embraced these investment opportunities, others have resisted due to concerns about water consumption, carbon emissions, and insufficient tax incentives and economic benefits for local residents.⁸³



1.4.4 Conditions for success

These three case studies are just an illustration of the many diverse ways rural communities in Canada are adapting and diversifying their local economies. Common among these case studies are the following preconditions for success:



Engaged local government: Local mayors, reeves, councillors and the administrative staff that support them have a critical role to play in developing economic diversification strategies, liaising with other orders of government and attracting new investment. They also create favourable conditions for investment through zoning and building community support for new ventures. A shared vision of economic diversification and prosperity at the local level that represents the interests of the community is essential.



Strategic use of local geography: Communities like Vulcan County have capitalized on their geographic advantages, such as significant sunlight, to galvanize new industries. These contextual approaches differentiate local communities and increase the likelihood that new industries can be sustained over the long-term.



Proactive partnership building: Edmundston's partnership with Madawaska Maliseet First Nation to construct the Grey Rock Power Centre demonstrates how collaboration between partners can support economic development. While effective partnerships require ongoing effort and engagement, they can help rural communities pool limited resources and achieve the scale needed to pursue larger economic development opportunities.



Laying the groundwork: The Municipal District of Greenview first started its work on the Greenview Industrial Gateway in 2013, making significant investments in energy, water and fibre-optic infrastructure to attract investors and developers. The Gateway is now attracting significant investment more than 10 years later, demonstrating the importance of laying the groundwork to yield the long-term benefits of economic diversification strategies.



2. Cross-Border Perspectives

2.1 Lessons learned from the American Rust Belt

While Canada and the United States are not perfect policy comparators, Canada can still draw important lessons from communities that have experienced major industrial transitions. This includes the deindustrialization of manufacturing-dependent communities in the Northeast and Midwest United States, commonly referred to as the American Rust Belt.

Since 2000, job losses in the U.S. manufacturing sector have accelerated rapidly, primarily due to technological change, globalization and outsourcing.⁸⁴ This resulted in an exodus of major industrial employers and significant land abandonment, with hundreds of thousands of housing units vacated and demolished in cities like Detroit, Cleveland and Buffalo.⁸⁵ From 1950 to 2000, the share of U.S. manufacturing employment located in the American Rust Belt declined from 51% to 33%.⁸⁶

Some communities in the American Rust Belt fared better than others during this period of economic transition. These communities were generally defined by the following factors⁸⁷:

- The presence of **research universities and colleges** has been an important feature, as it correlates with increased median household income and conditions for investments in technology and innovation in the region. Post-secondary institutions can be fertile ground for technological advancement, workforce development and industry collaborations. Local populations with higher levels of education are better positioned to weather economic transformation.⁸⁸
- Strategic investments in **quality of place** are particularly important, such as revitalized waterfronts, downtown districts, historical sites, cultural institutions, mixed-use development areas and recreation/sports facilities. These investments can also include incentives for local “makers,” such as craft breweries. These investments often have a catalyzing effect, resulting in increased population growth, new housing developments and growth in community assets, such as arts/culture organizations, restaurants, parks and community gathering spaces. While these strategies may be less tangible than other economic diversification efforts, they cultivate a sense of community and civic pride that retains and attracts population growth over the long-term.⁸⁹
- **Industry clusters and innovation initiatives** led by multinational companies that are anchor employers in the area have also proven to be successful. Employers with a long-term commitment to the community and region often make strategic investments in innovation initiatives and industry clusters for value-added production, economies of scale and integrated supply chains.
- Communities that **capitalize on their existing strengths** by prioritizing retention incentives for remaining employers, stimulating local entrepreneurship and encouraging value-added industrial development have had greater success during industrial transitions. Promoting high-tech industries, such as biotechnology or semiconductors, has not always been successful if the community or region is not well-positioned to embrace the transition.⁹⁰
- Communities have also experienced success by using transportation corridors to develop industrial parks with **favourable zoning and tax incentives** that encourage increased local investment and job creation.⁹¹ These transportation corridors are often underutilized and can promote regional connectivity when further developed.



30% of U.S. rural employment concentrated in the four sectors with the greatest potential for task automation—accommodation and food services, manufacturing, agriculture, and transportation and warehousing.

2.2 Digital technologies and automation

The American Rust Belt is not the only geographic region in the United States where rural communities have been undergoing industrial transition. Many rural communities in the United States have been affected by the rise of digital technologies and automation in industries such as mining, manufacturing and agriculture. For example, recent research by the U.S. Center on Rural Innovation found that 83 of the 100 U.S. counties most likely to be affected by automation were rural, with the highest-risk counties concentrated in South Carolina, Tennessee, Indiana, Florida and Alabama.⁹² One of the most common factors among these regions was the high proportion of workers without post-secondary education, demonstrating that regions with higher levels of education were less likely to experience negative effects of automation.⁹³

Digital technologies and automation are best positioned to automate routine tasks and activities such as manufacturing production lines, agricultural planting or mining excavation.⁹⁴ This type of employment is highly concentrated in rural areas, with more than 30% of U.S. rural employment concentrated in the four sectors with the greatest potential for task automation—accommodation and food services, manufacturing, agriculture, and transportation and warehousing.⁹⁵

Similar workforce disruptions are expected for higher-wage knowledge workers in urban areas due to the rise of AI, which excels at supporting cognitive, non-routine tasks.⁹⁶

To respond to these shifting workforce patterns, rural communities in the United States have adopted the following approaches:

- Assessing the impact of automation on local industries as part of economic development and workforce planning, **targeting tax incentives** at employers that can provide sustainable employment over the long term.
- Developing **reskilling programs** through local partnerships, such as post-secondary institutions, to facilitate smoother transitions when employees lose their jobs as a result of automation. These programs should identify the needs for specialized skills among employers in the region and align their training programs accordingly.
- Enabling small- and medium-sized businesses to **explore and innovate with automation technologies** to remain competitive in the global marketplace, recognizing that industry-wide changes are inevitable. Workers will be best positioned to adapt if their employer phases in automation in a strategic, thoughtful way.
- Identifying opportunities to **support tech startups in rural areas** to create digital entrepreneurship ecosystems, ensuring that rural areas remain relevant and engaged in new technological advancements
- Prioritizing **high-speed broadband access** so local businesses can remain competitive
- Developing **strategies to retain young people**, who contribute to the talent pipeline as future entrepreneurs and business leaders in rural communities.⁹⁷

In the following section, three American case studies illustrate how some of these strategies have been applied in practice.

2.3 American case studies

Rural communities in the United States have adopted different approaches to adapt to industrial transitions and prioritize economic diversification and resilience. The following case studies provide several examples of rural communities that have successfully managed industrial transitions, along with local or state-level organizations that have supported these efforts.



2.3.1 Hibbing, Minnesota

Hibbing, Minnesota is a rural community in northeastern Minnesota that was first founded in 1893. Hibbing currently has a population of approximately 16,000 residents, down 10% from 1990, with a continued downward trend projected to 2045.⁹⁸ This contrasts with Hibbing's rapid growth in the early 1900s, when its population quadrupled from 1900 to 1920 due to a booming iron ore mining economy. As a result of the mining boom, many schools, churches, local businesses and a hospital were constructed.

While the Hull Rust Mine in Hibbing is still operated by Hibbing Taconite Company, the local workforce continues to experience layoffs, as the mine adjusts its production levels to decreased domestic steel demand and declining levels of iron ore.⁹⁹ The local mining workforce in the region has steadily declined, from approximately 16,000 in 1979 to 4,500 today.¹⁰⁰ New technologies, such as autonomous vehicles, are also driving some of these workforce changes as they start to replace heavy equipment operators.¹⁰¹

In recognition of these changing realities, Hibbing is pursuing economic diversification through an initiative led by the Hibbing Economic Development Authority, which provides incentives to businesses considering relocating to the area. The Hull Rust Mine has also been partially converted into a tourist destination and designated a national historic landmark, with an observation area overlooking the world's largest open-pit iron ore mine, often described as the "Grand Canyon of the North."

Some of Hibbing's previous economic diversification efforts have been unsuccessful, such as a chopstick factory that was built in Hibbing in the 1980s by a Canadian company, with the intention of exporting the chopsticks to Japan. It was closed two years later.¹⁰² One of Hibbing's current economic development projects is the conversion of a vacant lot and three dilapidated buildings into a \$24.3 million downtown revitalization project called 400 Block, with 56 upscale market-rate housing units and 17,000 square feet of retail space along Hibbing's main street.¹⁰³





2.3.2 West Virginia University Land Use and Sustainable Development Clinic

West Virginia University College of Law currently leads the Land Use and Sustainable Development Clinic, a legal clinic that provides assistance to rural communities in West Virginia to address issues related to broadband infrastructure development, neglected properties and land use planning. While often perceived as technical in nature, these issues are key to helping rural communities operationalize economic development strategies and manage the effects of industrial transitions, such as vacant property or outdated zoning ordinances. The Clinic provides legal and technical assistance on a pro-bono basis for small rural municipalities, which often lack in-house legal capacity or resources to retain external legal counsel.

2.3.3 Colorado Office of Just Transition

In 2019, the Colorado General Assembly passed House Bill 19-1314, which created an Office of Just Transition to help more than 2,000 workers in Colorado's coal industry transition to new, high-quality jobs and diversify local economies reliant on the coal industry.¹⁰⁴ Coal has historically been central to Colorado's economy, with more than 1,700 coal mines operating across the state over the course of its history.¹⁰⁵ When the legislation was introduced in 2019, eight coal-fired electrical power generating plants were still operating in the state.¹⁰⁶ There are six remaining plants which are slated for closure between 2024 and 2030.¹⁰⁷

The Office provides programs for individual coal workers, including transition navigators, financial counseling and education, business startup assistance and financial support for reskilling/retraining.

Coal transition communities are also supported by community assistance grants, grant writing assistance and financial support for legal representation to intervene in Colorado Public Utilities Commission proceedings. These activities are guided by Colorado's Just Transition Action Plan, which is developed and led by a Just Transition Advisory Committee that includes representatives from coal communities, labour unions, utilities, subject matter experts and politicians. The Office's key focus is supporting local communities to manage and oversee their own community-led coal transitions.





2.3.4 Manufacturing Extension Partnership (MEP) Program

The Manufacturing Extension Partnership (MEP) Program is a public-private partnership to promote the competitiveness of small- and medium-sized U.S. manufacturers in the global economy. It is led by the U.S. Department of Commerce's National Institute of Standards and Technology.

The MEP Program provides resources and technical assistance to small- and medium-sized manufacturers through state-designated MEP Centers. These Centers assist with business growth (exporting services, market research, strategic planning, workforce development), business improvement (supply chain management, process improvement) and risk mitigation (continuity planning, cybersecurity services).¹⁰⁸ There are 51 MEP Centers across the United States and Puerto Rico, with 1,300 manufacturing experts located at over 400 service locations.¹⁰⁹

Individual MEP Centers are funded by federal, local and state governments. Research studies have found that the MEP Program generates a \$14 return on investment for every \$1 invested, and has a relatively low cost per job-year at \$2,700, compared to other policy options such as business tax cuts and tax incentives.¹¹⁰ In some communities such as Grand Rapids, Michigan, the existence of a MEP Center has been a key part of the municipality's economic development strategy to regenerate the manufacturing sector.¹¹¹ The MEP Program's public-private partnership model is not exclusive to manufacturing, and could be applied to other sectors affected by industrial transitions or automation.¹¹²





3. Recommendations

Rural communities in Canada must be prepared for external shocks—whether tariffs and trade uncertainty, or other political or economic headwinds affecting the local industries they rely upon for community prosperity and tax revenue. The following section outlines several recommendations for Canadian policymakers, drawing on rural resilience and economic diversification research, and lessons learned from local and cross-border case studies.

3.1 Prioritize local, place-based solutions

The most successful rural economic diversification and transition initiatives start at the local level. Place-based solutions are responsive to community needs and priorities, and ensure local ownership, benefits and wealth creation.

Colorado's Office of Just Transition is one example of a state-level initiative that has adopted a "bottom-up" approach by providing local communities with capacity-building resources and funding to develop and advance their own economic diversification strategies.

Canadian federal and provincial/territorial governments can encourage local, place-based solutions by designing open, flexible funding programs and offering capacity-building resources. These supports can help local governments assess new economic opportunities, such as through feasibility studies, and developing their own economic diversification strategies.

Example: Transition from Coal-Generated Electricity in Alberta

When Alberta announced in 2015 that all coal-generated electricity would be phased out in the province by 2030, local governments were not generally perceived to be key players in the transition process. This undermined their ability to manage the transition and communicate effectively with stakeholders.¹¹³

Provincial and federal government entities often bypassed local governments and allocated transition funding for specific purposes, rather than allowing local communities to identify and respond to their own priorities and needs.¹¹⁴ As a result, many small municipalities in Alberta struggled to take advantage of available financial resources and instead prioritized local approaches, such as opening transition centres and leading local land reclamation and land use change planning efforts.¹¹⁵

3.2 Encourage collaboration and economies of scale

While local, place-based solutions are critical, many smaller rural communities have limited financial and administrative resources to develop and implement economic diversification strategies. To address this challenge, federal and provincial/territorial governments should incentivize regional collaboration in their funding models. They should support the development of regional economic development hubs, nodes and networks that share common economic diversification goals. Rural-urban partnerships are one approach that can achieve positive regional outcomes, while helping rural communities achieve economies of scale to provide services in areas of low population density.¹¹⁶

3.3 Adopt a value-added supply chain approach

Canada has historically adopted an extractive approach to rural economic development by shipping raw materials to other countries for processing. However, recent changes in global trade have highlighted the need for Canada to strengthen its supply chains and expand domestic processing of raw materials to become more self-sufficient and competitive in global markets. While value-added processing is not a solution to all of Canada's economic diversification challenges, some rural communities are well-positioned to explore these opportunities further. Their proximity to raw materials, ability to integrate different stages of processing, and workforce expertise can help them retain local ownership and control of these industrial assets over the long term.

Federal and provincial/territorial governments can support rural communities in attracting new opportunities for value-added processing by creating favourable conditions for investment and development in rural areas. The Greenview Industrial Gateway is one example of an industrial hub designed to support and attract large-scale, value-added processing facilities in the energy, petrochemical, manufacturing and clean technology sectors.

3.4 Leverage rural post-secondary institutions

Rural communities in the American Rust Belt with successful industrial transitions were often located near post-secondary institutions, which provided a hub for reskilling and training on emerging technologies such as autonomous vehicles. Canadian post-secondary institutions in rural communities, such as technical colleges, have a critical role to play in supporting local economic diversification efforts. Several have already collaborated with rural communities on industry-specific research and to address workforce gaps, including Brandon University, University of Guelph, University of Northern British Columbia and Selkirk College.

Federal and provincial/territorial governments should encourage rural communities to partner with local post-secondary institutions to address workforce challenges and develop programs that can respond to and anticipate emerging industry trends. Provinces and territories provide much of the public funding for universities and public colleges through operating and capital grants and thus play an important role in supporting the development of rural programming.



Key policy levers for the federal government include providing research funding through its granting councils and facilitating the entry of international students into Canada. Similarly, both orders of government can continue to leverage their respective student loan and grant programs to encourage enrollment in high-demand occupations or emerging industries in rural areas, as seen in the federal government's current student loan forgiveness program.¹¹⁷

However, the recent cap on international student enrolment and changes to post-graduate work eligibility risk undermining collaboration between Canadian post-secondary institutions and rural communities. These measures have placed Canada's higher education sector under unprecedented financial strain, leading to widespread layoffs, program cuts and closures at universities and colleges across the country.¹¹⁸ Satellite campuses in small towns and rural areas have been among the hardest hit by consolidation efforts in Ontario, British Columbia and Atlantic Canada, raising concerns about the downstream effects on rural communities.¹¹⁹ Efforts must account for the financial realities currently driving universities and colleges to reduce, rather than grow, their presence and programs in rural areas.

3.5 Support collaboration between Indigenous and rural economic development

While rural and Indigenous economic development is often highly interconnected due to Canada's geography, federal and provincial/territorial policymakers frequently consider the two as separate policy issues addressed by different ministries and departments. This is a missed opportunity to take a more strategic, integrated regional approach to economic diversification that engages Indigenous communities as partners, leaders and owners, rather than simply stakeholders in a broader rural economic development agenda.

Partnerships between Indigenous governments and rural communities can leverage opportunities for shared economic prosperity, using economic development and diversification as tools for self-determination, co-governance and shared decision-making. One such example is the Grey Rock Power Centre in Madawaska Maliseet First Nation outside of Edmundston, New Brunswick. Other examples of collaborative economic diversification efforts include Indigenous-operated fly-in fishing camps in northern Saskatchewan, and grizzly bear viewing tours in British Columbia, which have both been successful at increasing local revenue through eco-tourism.

Federal and provincial/territorial governments can incentivize this type of collaboration through joint funding programs and streamlining cross-jurisdictional regulatory processes for land use, permitting and infrastructure development, such as highway construction.





3.6 Adopt a proactive regulatory approach to emerging industries

Rural communities at the forefront of innovation and economic diversification often encounter an unanticipated roadblock—federal and provincial/territorial regulatory frameworks have not yet caught up.

For example, the Municipal District of Greenview faced challenges getting approval for their Wonder Valley AI data centre because the Government of Alberta had not yet developed a comprehensive regulatory framework for AI data centres. Similar issues exist for other emerging high-potential sectors such as hydrogen, critical minerals, life sciences, digital industries and advanced manufacturing. While robust regulatory frameworks are necessary for these emerging industries, rural communities often find themselves in regulatory “grey zones” when they try to rapidly capitalize on economic opportunities.

Federal and provincial/territorial governments should proactively consult with emerging high-potential sectors and rural communities to identify future regulatory issues. Where possible, alignment across federal and provincial/territorial governments can also expedite approval processes and reduce regulatory uncertainty for industry.

3.7 Expand data on Canada’s rural economies

Due to Canada’s expansive geography and data collection limitations, Canadian policymakers currently have access to very limited data on rural economies. As a result, policymakers tend to focus their economic diversification strategies on larger suburban or urban centres, where tariff and workforce exposure is more readily assessed and measured. As a result, Canadian economic development and diversification policies are often “urban by default” because rural information is not readily available as a data input.

As Canada’s national statistics agency, Statistics Canada is a vital source of trusted statistical data and analytical insights used to inform rural policy and research across the country. Statistics Canada has undertaken various efforts in recent years to strengthen its rural data collection and analytical capacity, for example, experimenting with geographically granular, grid square-based measures to better represent where rural activity takes place.¹²⁰

While Statistics Canada has also developed a Rural Statistics in Canada portal, there are still significant limitations in the data and its ability to generate insights for Canadian policymakers. Investing in a stronger data ecosystem on rural economies would ensure that future public policy initiatives aimed at economic diversification are responsive, evidence-based and grounded in rural realities.

An aerial photograph of a suburban neighborhood. The houses are mostly two-story, with various roof colors like red, grey, and green. There are many trees, some with autumn-colored leaves in shades of red, orange, and yellow. A road with a green-painted curb runs through the middle of the neighborhood. The sky is overcast and grey.

Conclusion

U.S. tariffs and heightened trade uncertainty have underscored the structural vulnerabilities of rural economies in Canada, particularly those dependent on extractive and export-oriented industries.

As this report demonstrates, these shocks are not occurring in isolation. Rather, they are compounding longstanding demographic, technological, fiscal and climate-related pressures facing rural communities. While there is no single pathway to economic diversification, the evidence from Canadian and cross-border case studies points to the effectiveness of locally led, place-based strategies that build on community strengths, foster collaboration, and prioritize value-added production and workforce development.

Federal, provincial/territorial and municipal governments all have critical roles to play in enabling these transitions—through flexible funding, proactive regulation, improved data collection, and collaboration between Indigenous and rural economic development. Taken together, these approaches can help rural communities not only withstand current trade volatility, but also position themselves for long-term resilience, economic autonomy and shared prosperity in an increasingly uncertain global landscape.



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