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With ice cream cones, on the patio of the Mt. Robson Café
2011
Part 1
Introduction
Introduction: Foundations for Renewal

A British Columbia Parable:

In the early 1950s, the WAC Bennett government bought a shiny new truck. With that truck, the province was able to get to work and do all the things it needed and wanted to do. That truck ran really well for nearly thirty years. After 1980, however, the truck was worn out and didn’t fit well with the new jobs now being asked of it. Instead of looking around, kicking tires, and deciding to buy a new hybrid economy car with lots of interior space and good gas mileage, successive provincial governments have tried to keep that old truck running. They have tinkered here, and have added parts there. But the fact is that the truck’s useful life is long since finished. It is time to invest in a new vehicle to carry us into the future.

This book is about creating the foundations for renewing northern British Columbia’s rural and small-town economy as we move into the twenty-first century. It is about creating the foundations of renewal so that we can employ our place-based assets to take advantage of rapidly emerging and changing opportunities within local, regional, national, and global economies. Here, through eleven chapters, we will explore (1) how northern BC’s economy developed over time, (2) the disjunctures rooted in global and technological changes not yet fully incorporated into regional development, and (3) opportunities for taking proactive action – at all levels – to better equip and situate our rural and small-town places to be competitive in the new economy.

As we conceptualize it, the key to renewal is not based in nostalgia. It is not about returning to the economies and political structures of the past. It is not about seeking some kind of mythical rural idyll. Renewal entails building a pragmatic vision for development that proactively addresses the realities...
and opportunities of the new economy by finding a balance between economic, community, environmental, and cultural issues. Renewal is about finding a way forward that is grounded in tested practices and with a solid understanding of how development happens, how to mobilize action for change, and how to respond to the ongoing processes of change that define the global economy.

Our approach to writing this book rests on research that has sought to understand development practices throughout northern British Columbia. Our knowledge of the north is deeply rooted in an appreciation for the historical context and development pathways that have created the province that we see around us today. These perspectives will reveal themselves in the following chapters in our attempt to bring readers along the same conceptual journey, arriving at our core argument in favour of a place-based approach to economic renewal. Our treatment of these issues combines a variety of “voices,” including scholarly research, summaries of best practice for policy makers, and practical stories and case studies that we hope will resonate with communities across northern British Columbia and in other rural and small-town settings – in Canada and internationally. Our own research has benefitted greatly by balancing and infusing our scholarly work with involvement in policy processes and tangible development projects. We have traversed the northern landscape many times over to capture stories, learn from people, and participate in the discussions and projects that are actively shaping the north.

Readers will detect a tone of advocacy surrounding our treatment of the principles and practices of place-based development. There are two reasons for this. First, our research in northern British Columbia, combined with research from other jurisdictions, tells us very clearly that the foundation for successful rural development is in the context of place. We must work to understand how to employ all of our place-based assets to create viable communities that are economically robust, socially resilient, and environmentally sustainable. Place-based development is a collaborative and co-constructed approach that requires the active participation and engagement of all levels of government and communities; it is not passive in any direction: either waiting for the market, for government direction, or community action. Second, place-based development is a completely underutilized and generally unfamiliar approach to development in northern BC. We will work, in the following chapters, to define the concept of place-based development, illustrate how to use it in communities, and identify some of its main challenges. In the final chapters, we will step out of our academic research voice to present a vision for how this form of development may be constructed and what its impact might have been in twenty years time. In essence, place-based development asks us to consider what development would look like...
in northern BC if we were building communities and regional economies of permanence – and not simply treating the region as a resource frontier.

The purpose of this introductory chapter is to begin to outline an argument for renewal and to present the framework of this book. The chapter opens with some key messages that underscore the importance of renewal for northern BC’s rural and small-town economy. These messages include the following: rural and small-town BC has long been set within a global economy, and recent changes in that global economy now require more attention to “place-specific” assets and attributes. We outline how there will be no hope for rural and small-town renewal if the various senior governments continue to off-load their responsibilities for providing coordination, infrastructure, and vital services, and there will not be successful renewal if rural and small-town residents and decision makers look only to senior governments for support and a vision for the future. Top-down and bottom-up supports and engagement must co-create solutions. The future of rural and small-town British Columbia is one that includes and involves all of our peoples, both Aboriginal and non-Aboriginal. The next section draws on our research in which we asked people across northern BC how they would renew their community and economic foundations. This section describes a vision built on lifestyles, assets, and strategic investments in infrastructure that link people and places with economic opportunity. Finally, we close with an outline of the remaining chapters of this book.

**Locating Northern BC**

Before outlining our key messages, it is important to offer a quick reference to our definition of northern BC. Describing or defining regions across the large and varied physical landscape of British Columbia is always a challenge. When done, there are always those who would argue for a different alignment, a different location for “edges,” and even different nomenclature. There are the challenges of edge communities’ feeling more closely linked to places outside of any supposed region versus feeling intensely linked to the “core” of the designated region. We do not argue with any such challenges and recognize that defining a region is fraught with complications.

For the purposes of this book, northern BC includes everything from 100 Mile House north to the Yukon, and from Alberta to Haida Gwaii (see Figure 1). In many ways, this region is a wonderful exemplar of resource-dependent rural and small-town regions across Canada and in other member countries of the Organization for Economic Co-operation and Development (OECD) that display a variety of common characteristics. Economic development since the Second World War has remained focused on resource-extractive industries, with population growth and decline being linked to international market demands and prices for resources. Control of industries
and state-delivered services is external (multinational capital and metropolitan core regions respectively). The existing economic infrastructure is aging, there has been an extended extraction of wealth with limited reinvestment, the working population is aging-in-place, there has been an out-migration of youth, and many available services are being closed and consolidated. In a dispersed settlement landscape, long distances and few local economic options exist when industrial closure is threatened. We must realize, in looking to the future, that our competition in the global economy is other countries and that to be successful, northern BC (and the province as a whole) needs to work collectively.

Our research adopted a regional approach for a variety of reasons. First, BC’s economic competitors across Canada and in other industrialized parts of the world have scaled up from local to regional approaches. This means that for northern BC to remain economically competitive in a global marketplace, we need to start working more collaboratively. Second, other jurisdictions have shifted from sectoral to “place-based” policies in their efforts to direct
and conduct development in their rural regions. We have much to learn from the successes and challenges of using this approach to understand communities and the regions in which they are situated. Third, in the context of our current political and economic realities, limited funds for infrastructure and services need to be wisely invested, and this can only be accomplished by taking a wider view of costs and benefits across the region as a whole. Finally, and perhaps most importantly, a regional, collective voice has a greater impact on public policy debates and on seeking changes and enhanced benefits from the corporate sector. Through the early stages of our research on regional development, people would inevitably start the conversation with “it seems a good idea, but our area is so unique that it has little in common with the rest of northern BC.” However, once they talked through how linkages exist in political relationships, economic flows, infrastructure and service needs, attention to lifestyle and the environment, and a host of other factors, they came to value the opportunities inherent in thinking about their community as part of a much larger and wider northern BC.

**A Rationale for Renewal**

Over the past 200 years, the social, economic, cultural, and political landscape of northern BC has undergone considerable transformation. The pace of change has accelerated over recent decades, and communities, industries, businesses, and decision makers recognize that this creates both new challenges and new opportunities (Hayter 2000; Hutton 2002; Morford and Kahlke 2004). Against this backdrop of accelerating change, there is an emerging recognition from within all sectors of the need for a new vision to guide community and economic revitalization.

To illustrate the need for a renewed vision we can look just about anywhere across northern BC. The past decade has seen some areas enjoy substantial benefits from a significant resource economy boom. The demand for oil and gas buoyed provincial coffers with healthy surpluses. The demand for minerals, spurred by China’s rapidly growing industrial base, boosted prices and led to a resurgence of mining across BC. Meanwhile, the US housing market consumed all that interior forestry mills could put out as they ran at full capacity – supported as well by an “uplift” of wood supply as the province sought to recover economic value from forests infested by the mountain pine beetle.

Certainly, the boom of 2004-2007 created social and economic benefits for both the province and those areas of northern BC where the resources were located. This time, however, things were different. First, there were not as many new jobs created as had happened in past booms. Second, there was no preparation in the service sector to cope with the new demands. Third, there were critical skills shortages across a range of sectors; and fourth, the places that were bearing the costs of these developments within their
community and environment were not seeing the benefits they had anticipated. A report by the North Peace Economic Development Commission, for example, pointed out that the region was realizing only about 10 percent of the employment and economic benefits of the oil and gas boom (Nicol 2003). While the Commission’s report may overestimate the benefits that could reasonably come to the region, the social and infrastructure costs were so pressing on the communities that, in the elections of 2005, municipal voters in both Dawson Creek and Fort St. John replaced almost their entire city councils. Concerns about water, housing, conservation, and community quality of life are suddenly as important as concerns for jobs.

Following the boom was the bust, a pattern that has repeated itself at important junctures throughout BC’s postwar history. Beginning in 2007, with the collapse of the US housing and credit markets, the economic downturn became global through a parallel implosion of banks and other financial organizations, sovereign debt, and a much wider slowing of consumer demand and resulting slowdowns in manufacturing. The key point that BC and Canada must take away from the recent downturn is the following: no matter how much decision makers and the popular press may have become convinced that cities are our economic engines, it has, in fact, been the collapse of the resource commodities (wood, pulp, paper, oil, gas, minerals, coal) produced in our rural and small-town communities that resulted in Canada recording its first export deficit in approximately thirty years and in BC’s provincial government revenue flows dropping precipitously. Moreover, because of this persisting economic dependency, the recession hit rural and small-town communities particularly hard.1

In light of our most recent boom-bust experience, the challenge for renewal is clear. (1) We must invest in BC’s rural and small-town communities so that we are ready to take full advantage of future economic upswings (across a wide range of economic opportunities) as they unfold, instead of playing catch-up because of a lack of preparation. (2) We must keep more of the benefits of any upswing in the north and invest them wisely into development decisions to support more economically diversified and socially resilient rural and small-town places.

Addressing this challenge serves as the core purpose of this book. To identify an appropriate approach to rural and small-town renewal in northern BC, we will be drawing from and adapting the lessons of the WAC Bennett era of “province building” and merging them with specific insights offered by the increasing recognition of the significance of place in social and economic development. This synthesis exposes troubling gaps in our current development approach.

To start our discussion, in the next section, we offer a thumbnail portrait of the argument and approach that we will expand in the chapters that follow. Central to the future of rural and small-town BC is divining the roles
of small places within the global economy. The messages are relatively simple in this regard. First, the global economy itself is not anything new, and therefore, we should not approach it with fear or apprehension. Second, the value of small places is increasing because, as space is becoming relatively less important in the global economy, place is becoming more important. Both of these messages reinforce an older understanding in BC: that our rural and urban places are closely interconnected and that the economy of the province as a whole depends on the participation and strength of both partners.

A Global Economy
The past twenty-five years have witnessed rising discussion and recognition around rural and small-town BC that we live in a global economy. Drawing on work from the United States, Fitchen (1991) offers an interesting perspective on change, and how it affects our sense of the past, present, and future. She warns that only when one is immersed in change does “the past appear [to one as] stable and unchanging by contrast” (259). It is only through today’s heated media and public discussions about the impacts and consequences of change in the global economy that we forget how BC’s economy has long been both changing and globally organized.

Since time immemorial, northern BC has been a trading economy (see Northwest Tribal Treaty Nations [NWTT] 2004). The quality of life for First Nations people and communities has for a long time been intimately linked to the natural resource base of the lands and waters and to the organization of those resources so that they can fulfil community needs and aspirations. We know a great deal about how different First Nations traded goods across the BC landscape. They traded seafood (especially the prized oolichan grease), cedar, shells, and a host of other products from the coast with people living across the interior. In turn, people living on the interior plateau traded goods not available on the coast. These trading networks rested on principles of commodity exchange in order to obtain goods not available locally. They also created a dense network of trade routes and exchange sites across the landscape. Volume 1 from the magnificent Historical Atlas of Canada series contains a number of map plates describing the complexity and extensiveness of these trade networks at local, regional, and continental scales (Harris and Matthews 1987). The national historic site at Fort Kitwanga marks the location of one especially strategic crossroads point in the trading trails of northwestern BC. Alexander Mackenzie, on his famous crossing of North America to the Pacific in 1793, made a hard right turn near Alexandra Ferry to go overland to Bella Coola. This would seem quite remarkable for a man who had previously gone everywhere by river, when in fact, he was simply following the well-worn and locally known grease trail to the coast that provided a safe and certain path to his goal.
The European fur trade followed Mackenzie into the interior of northern BC. With it, the economic future and fortunes of the region became increasingly determined by industries and governments located outside of the region (Harris 2002). When the Hudson's Bay Company factor at Fort St. James (then the capital of New Caledonia) wanted to make decisions, he would write to headquarters. The message would go by canoe eastward to Montreal and by ship across the Atlantic to company offices in London, where meetings would be held, decisions made, and instructions put together. The reply would then retrace the journey back to Fort St. James the following year. Although the process was slower than today's electronic communication systems, the process was, nevertheless, still very much the same – a branch manager would contact headquarters for instructions and then act once those instructions were received. The purpose of the factor or branch manager was to ensure that raw materials from the resource-producing region got into the production chain of the larger company for processing into finished products for later sale via global marketing networks. We should not underestimate the success of this older and slower version of the system, as Fort St. James functioned successfully as a focal point for the Hudson's Bay Company's fur trade empire in northern BC for nearly a hundred and fifty years. Globalization, in this sense, is not a new phenomenon to northern BC's rural and small-town places.

What is new about the global economy is that the pace of change has accelerated. We are now much more connected and influenced by affairs in distant places and by how our markets in those distant places perceive affairs in BC. In 2003 alone, examples such as the SARS epidemic and the Okanagan/Clearwater forest fires, which had a significant and immediate downward impact on BC's tourism industry, illustrate just how quickly events can change the economics of entire industries. The economic crisis that accelerated during the autumn of 2008 is, of course, a very dramatic symbol of the pace and interconnectedness of this global economic system: “Today’s world changes even faster, and even more profoundly. There is a lot more to understand and a much more pressing need to get it right. Look around in today’s business environment and you can see the companies that are good at market intelligence; the reason you can’t see the others that didn’t get it right is because they no longer exist” (Apsey 2006: 48).

The rapid pace at which change occurs has several implications. To start, actions in BC have consequences. For example, as wealthy tourists approach wilderness adventures with an increasingly well-informed environmental mindset, perceptions about BC's environmental protection regulations and policies, and even our standing in the global community in terms of such indicators as energy consumption per capita, will colour their mindset. A more direct consequence is that the pace of such change challenges the
responsiveness of large institutions like the provincial government. Large governments simply cannot respond in a nimble manner to rapidly changing opportunities and crises. Small-town places across northern BC must be prepared and equipped so that they can be flexible and responsive to opportunities as they arise, not to mention robust in responding to economic cycles of boom and bust – because there is no way that the provincial government can facilitate the take-up of such opportunities from a purely reactionary position.

At the start of the twenty-first century, the rural and small-town places of northern BC are home to a vibrant set of cultures within a diverse physical landscape. It remains a place with rich resource endowments, with one of the key resources being the people who live in, and have made a commitment to, these places (BC Progress Board 2002). Its assets and resources remain in great demand within the global economy – resources that now include much more than simply fish, fur, timber, agricultural products, minerals, and oil and natural gas. Renewal is about moving forward to transform existing resource development strength into a diversified economic strength founded on rich resource assets and amenities. Renewal is about diversifying within existing economic sectors, and growing new economic sectors that complement both our “place-based” assets and our aspirations.

**From Space to Place**

If a global economy itself is not new, what facets are new with respect to reconsidering the role of small places in the economy? Two are important here. The first has to do with the application of technologies that allow real-time production management at a global scale. Consider the computer on your desk as an illustration. Likely the headquarters of the company that manufactures it are in the United States or Japan. The telephone order to procure it goes through a call centre in southern Asia. The various component parts of your computer come from many locations around the world, and your order is finally assembled in yet another country. Then it goes out to you via a courier company, the headquarters of which are in yet another country (perhaps an island resort nation with favourable corporate tax regimes). All of this happens in a matter of days.

In today’s technologically connected world, geographic space (raw distance, even if measured in terms of time or financial transfer costs) is declining in importance. But if capital can locate anywhere, the question becomes why is it that capital locates in the places that it does? The characteristics of places in terms of regulations, connectivity to the world economy, available labour supply, supportive industries and skills, quality-of-life services and amenities, natural environment, safety, political stability, and a host of other inputs to the production and decision-making systems mean that
differences between places will guide the investment decisions of capital. In others words, as space is becoming less important in the global economy, place is becoming more important.

Porter (2004) identifies the increasingly important role that “traded industries” play in the global economy. These industries are not resource dependent; instead, they sell products and services locally, regionally, and internationally. They can be located anywhere, and thus factors affecting the competitiveness of places are key to decisions concerning location. Renewal, as argued by Porter, will involve the evolution of rural economies. Inherited endowments such as location and natural resources are important, but even more so are the choices made by local leadership to understand and mobilize rural assets in order to be more competitive.

Approaches to regional development in a space-based economy have tended to focus on economic issues. These have included regulatory changes and transportation investments to reduce the costs of production to capital. Part of the sequence has been for governments to reduce tax burdens on capital – with resulting (and increasing) gaps in our ability to maintain local services and community infrastructure. What is becoming increasingly the case, however, is that the lack of attention to key infrastructure and quality-of-life investments that result from a continued policy focus on tax cuts is costing industry and economic development interests much more than the savings they gained through the cuts (Lee 2003). To be clear, there is no suggestion here to decrease the competitiveness of northern BC’s rural and small-town places with a taxation regime that is above the norm for OECD countries. Rather, the point is that a simplistic focus on tax cuts, in fact, leaves the state less and less able to support business and industry with a competitive investment environment. Recent announcements by the BC provincial government regarding massive infrastructure investments in various “gateway” transportation initiatives, for example, are all justified on the basis that the savings to small and large businesses and industries from an improved transportation system far outweigh the expenditure of public monies. This being the case, the real question is why we are lagging so severely in our rural infrastructure investments – if it does cost our businesses and industries in their economic bottom line, then we should have been using taxation reinvestments in services, workforce training, and infrastructure efficiently so as to boost the economy as a whole.

Yet, such an approach to space-based economies and reducing business and industrial tax burdens misses the opportunities embodied within a place-based development approach. Focusing on a “race to the bottom” in economic development supports misses, and even harms, opportunities in other sectors of the new economy. Put in more colloquial terms, focusing on only 20 to 25 percent of the economic options possible within our rural and small-town places means that we miss realizing the 75 to 80 percent of
possible opportunities bound up within these places. A place-based economy is about finding and supporting opportunities across the whole economy, something we will be referring to throughout the text as the four bottom lines: economic, environmental, cultural, and community. Each supports the other and each provides new opportunities for investment, development, and diversification on its own.

Another way to understand the shift from a space-based economy to a place-based economy is from the perspective of moving from comparative to competitive advantage. At its root, comparative advantage involves the principle whereby territories “produce those goods or services for which they have the greatest cost or efficiency advantage over others, or for which they have the least disadvantage” (Gregory et al. 2009: 105). The principle helps to explain, in part, patterns of regional specialization (i.e., mining, forestry, fishing) witnessed across a resource periphery like British Columbia. In contrast, Kitson et al. (2004: 992) provide a straightforward definition of territorial competitiveness “as the success with which regions and cities compete with one another in some way – over market share or capital and workers.” Competitiveness may be, in part, an outcome resulting from a region’s comparative advantages; however, it refers specifically to an outcome of intentional human intervention. Malecki (2004) refers to this complexity when stating that regional competitiveness is multidimensional, mixing traditional factors of infrastructure with attributes like social capital. Over the past twenty years, comparative advantage has declined in primary significance in successfully reorganizing the dimensions of a staples or commodity trading economy in order to increase local benefit (Henderson and Novack 2003). Instead, a focus on competitive advantage may be more useful in describing how regions compete with one another globally over market share, capital, and workers.

Seeking Renewal

Our approach to rural and small-town renewal across northern BC is a pragmatic one. It is rooted in the new economy with attention to the economic, environmental, cultural, and community dimensions of places. Renewal is about strong community development foundations to support flexibility in economic development, flexibility that is so critical to keeping up with the pace of global economic change.

Complaints that the global economy is too complicated, and that we should do nothing to intervene in the marketplace, must not derail attention to renewal. The period immediately after the Second World War was in many ways more complex and uncertain. Today, many of the fundamentals of global political and economic organization have been in place for more than thirty years. Attention to renewal must not be derailed by simplistic renderings that urban centres are the focus of the new economy and that
rural or regional decline is inevitable. BC’s economy is one in which urban and rural are intimately interlinked. BC’s 2004-2006 economic upswing was bolstered by resource revenues from nonmetropolitan BC and investment spending leading up to and surrounding the 2010 Olympics in metropolitan BC. The current downswing is the result of declining global market demands for resource commodities. For both of these concerns, attention to renewal must be about outlining opportunities in the global economy and mobilizing a reimagined and rebundled set of nonmetropolitan assets so as to build on our competitive (as opposed to comparative) advantages.

Our starting point in looking forward to renewal is the Northern BC Economic Development Vision and Strategy Project (NEV). Started in 2003, the NEV was designed to find out what ideas northerners themselves had for improving economic and community development opportunities where they live. The project sought to answer a simple question (Halseth et al. 2007): If people in northern BC were going to devise a vision and plan for economic renewal, and a structure to manage that renewal, how would they do it?

Development processes or plans have too often been imposed from outside the region, with people in northern BC participating only to have key recommendations or outcomes changed or rejected (Halseth and Booth 2003; Mascarenhas and Scarce 2004). This legacy has created a good deal of skepticism about regional economic planning in the north. Current economic challenges (during both booms and busts) have created a great impatience to get on with the task of creating a plan to renew the economic strength and resiliency of our communities. Through the NEV, people spoke of a willingness to set aside the skepticism and to “roll up their sleeves” to get on with the job of creating a “made in the north” approach to renewal.

Collectively, the NEV provided a catalyst for the exchange of local economic information and ideas between government, industry, labour, small business, First Nations, economic development organizations, and community groups. Importantly, for our work, the project set the foundation for a longer-term research relationship with many of these communities. Since that time, we have engaged in a large number of projects with communities throughout northern BC, using a range of methods to explore issues such as housing, community transition, rural health, economic competitiveness, the service economy, Aboriginal community development, industry relations, and others.

Messages from Northern BC

Three opening messages derived from our cumulative research throughout rural and northern BC serve as core principles for the remainder of this book. The first is a clear recognition that northern BC’s rural and small-town
community and economic futures are connected. This connectivity extends to the infrastructure and technology that increasingly binds and facilitates interaction, community development, and economic vitality, and to the natural resources and environments that have long supported the economy and local quality of life. Regional discussions on the strategic options for deploying these assets will benefit and support local economic and community development.

Regional development, defined by varying dimensions of connectivity, has become a popular tool in other jurisdictions (Savoie 1997; Storper 1997; Fairbairn 1998; Polèse 1999; Australian Government 2002; Canada, Secretary of State for Rural Development 2002; Drabenstott and Sheaff 2002a; Welsh Development Agency 2002). Recently formed economic strategy groups in northern BC are aware of these trends and have increasingly been placing attention to a coordinated regional approach at the top of their planning agenda (Cariboo-Chilcotin Beetle Action Coalition 2008; Omineca Beetle Action Coalition 2009). Importantly, a regional approach to tackling issues of restructuring and change must develop and/or adapt models that address the particular circumstances of the particular places (Jones 2001; Macleod 2001a, 2001b; Natcher et al. 2003; O’Brien et al. 2004).

The second message is that rural and small-town northern BC is demanding the tools and resources necessary to coordinate the future development of its community and economy. There is a keen recognition that resource wealth has long supported the development of the province; yet, fewer benefits stay reinvested in our rural and small-town places. Throughout this book, we will be referring to this phenomenon as the resource bank approach to development – where metropolitan decision makers view northern and hinterland regions as places rich in resource assets that can be exploited or “withdrawn” when needed to fund metropolitan investments, but without making adequate return deposits.

The third, and perhaps most important, message is that the economic future of northern BC’s rural and small-town regions must include everyone. The future must respect the quality of life and environmental foundations of all of our people, places, and cultures. Building on these messages, suggestions for enhancing community and economic strength will build on a foundation of core components for renewal, including the following: (1) a comprehensive vision, (2) recognition and celebration of the quality of life in the north, (3) identification of strategic assets for development, and (4) reinvestment in an integrated blend of development infrastructures.

**Vision: Moving from Strength to Strength**

Rural and small-town futures across northern BC involve moving from strength to strength. This means moving from a resource economy strength
to a renewed strength that is inclusive of a resource economy foundation, adds diversified community and economic development opportunities, and retains more of the economic and social value and benefits from these developments within our communities.

Rural and Small-Town Lifestyle

An affordable lifestyle and quality of life form the foundational assets for new economic development. In the new economy, quality of life and many of the other characteristics that have long described rural and small-town places form crucial economic development assets (Canada West Foundation 2001; Rural Secretariat 2001; Canada, Industry Canada 2004). For example, an outdoor lifestyle and wilderness setting creates opportunities in both tourism and resource development. The small-town characteristics of safe and familiar communities provide an ideal setting for recruiting both young families and retirees (Beesley et al. 1997).

Rural and small-town places in northern BC are affordable and connected places for living and doing business. With the connectivity of the “information age,” these places are attractive economic and quality-of-life destinations for companies and government agencies seeking to relocate from expensive and congested metropolitan areas while at the same time staying connected to the global economy (Doloreux et al. 2004). Our northern quality of life, while becoming an attribute of competition between similar communities, can be a foundation for both economic and community development.

To be competitive in the global economy involves not only the broad foundational supports noted above but also competing for the talent needed to ensure that opportunities can be realized (Scott 2009). This competition for talent first received attention in Florida’s (2002) work on the “creative class” within the new generation of workers. To take advantage of new economic opportunity, places have to attract workers – and achieving the right mix of educated workers and new economic drivers emerges as one of the keys to successful engagement in the knowledge-based global economy. The rural and regional development research literature has identified how this same process applies as well to nonmetropolitan places. Rural and small-town places need to “get into the game” of attracting and retaining talent. To do this, rural communities need to know something about this new workforce (Gamu 2008; Rye 2006; Barcus 2004). For one thing, these workers will be able to exercise considerable bargaining power. As a result, workers in the new economy have the option to find work where they want to live. Beyond salary rates these demands will include matters such as living in a clean environment, having access to a reasonable level of services, having a safe and healthy place in which to raise a family, achieving a balance in work/life relationships, and enjoying a strong sense of community while
still maintaining global connectivity. These attributes are fully compatible with the potential of rural and small-town places (Halseth 2010).

The message from our interactions with people across northern BC is very clear: people want economic development that not only creates jobs for residents, but that also respects people, the environment, and the quality of life that defines the rural and small-town lifestyle. Economic development that depends on fly-in employees, where most of the social and economic benefits flow out of the region, and where the region is left only with the social or environmental “costs” of this new activity, does not fit well with this message. Places need to be equipped to take advantage of new opportunities and residents to fill the jobs that such opportunities create (Barry and Associates Consulting 2003; Donaldson and Docharty 2004; Tahltan First Nation and International Institute for Sustainable Development 2004).

**Strategic Assets**
To create benefits for rural and small-town places, we must rebundle our assets to create new strategic opportunities and advantages.

The old economy focused on economic assets and costs versus benefits, and in doing so, it was missing opportunities embodied within three-quarters (environmental, cultural, and community) of the available place-based assets. Renewal of the new economy means finding creative and innovative ways to rebundle these economic, environmental, cultural, and community assets to create opportunities that fit with local aspirations. To do this, there are challenges to overcome. For example, there is the argument that if you focus on these other dimensions of the new economy you will be harming our economic competitiveness in traditional resource sectors. Given, however, that we are always adjusting our comparative advantage to remain competitive in the old economy, additional adjustments need not privilege one over the other. In a place-based economy, each of the four assets – economic, environmental, cultural, and community – enhance competitiveness and build resiliency and diversity, which are key features needed in today’s fast-paced and rapidly changing global economy. The vision is to use the strengths of the resource sector while setting a foundation for other economic activities and sectors.

**Infrastructures**
We will realize renewal through investments in physical infrastructure, human resource infrastructure, community capacity infrastructure, and economic and business infrastructure.

To support economic renewal by moving from strength to strength, we must reinvest in four critical areas of infrastructure. During BC’s 1950s-1970s development era, decision makers clearly understood that strategic
investments would pay dividends for a long time. At the start of the twenty-first century, our myopic focus on cutting taxes and showing results that fit with government election cycles or corporate quarterly reports to shareholders now sees such investments only as expenses (this occurs despite a provincial debt that has climbed significantly since 1980). We have to change this thinking. In the following chapters, we outline an argument for why we need to reinvest in our province’s physical infrastructure, human resource infrastructure, community capacity infrastructure, and economic and business infrastructure. We provide stories from across northern BC of places that are making these investments in highly successful ways.

Physical infrastructure investments were a cornerstone of earlier province-building policies, but this infrastructure needs updating to meet the needs of a new economy (Harvey 2004). This includes transportation, communications, and local civic infrastructure, all of which are key economic development assets. Transportation infrastructure includes road, rail, and air transport facilities. Communications infrastructure includes the critical connecting technologies that drive the speed of the global economy. While some places in northern BC still rely on radio-phones, it is not enough to just get Internet – reliable, high-speed Internet is needed. Civic infrastructure includes recreation and amenity facilities that are central to recruiting and retaining both residents and businesses. It is necessary to make investments in both the “old” and “new” economy infrastructures.

Human capacity infrastructure concerns education and training, both for youth and for an established workforce seeking to compete in new economic sectors. In a flexible and dynamic new economy, human resource development will be a crucial support to regional diversification. It will demand enhanced access to a range of educational facilities at all levels.

We need to renew and diversify our community capacity. This includes the need to provide health care, education, and social support services in ways that recognize the realities of rural and small-town life (including enhancing support to the voluntary sector, which provides so much of rural and small-town BC’s community capacity). Building community capacity entails support for and attention to community leadership and planning processes that guide the making of local and regional decisions.

Finally, regional development and renewal must include our economic and business support and training services, and increasing access to capital and business development advice, especially for small and emerging businesses. Some support agencies already exist, but their roles need to be strengthened, coordinated, and refined to fit a place-based economy. One area for increased support concerns the development of more social economy enterprises (e.g., for health care and service delivery) that operate within the framework of business but are designed to channel their activities or profits towards addressing community needs and goals.
Book Outline

Renewal of both communities and economies across northern BC is about moving from strength to strength. Renewal is about building on our community and natural resource assets creatively to take advantage of opportunities as the global economy moves from a space-organized economy to a place-organized economy. Part 1 of this book provides a conceptual and contextual foundation for understanding this transition. This introductory chapter outlines some of our key concepts and provides a rationale for renewal based on the voices and realities of northern BC. Chapter 2 offers an overview of the general development and settlement patterns that have shaped northern BC into its current condition. This includes a review of basic socio-economic profile information and demographic trends across the north.

Chapter 3 details a rationale about the need for, and opportunity of, the renewal imperative. It starts with a description of the whole community approach to renewal – an approach that understands that economic development rests on a solid foundation of community development, especially important as we seek sustainable options within the fast-paced, changing, and flexible global economy. An enhanced description of the foundations for renewal, including a delineation of the meaning of space-based and place-based economies, and the impact of change on mobilizing for community and economic development follows. These building blocks are supported by a series of vision and strategy statements, as outlined by the residents of northern BC and collected through our research, that give direction to guide renewal.

Part 2 comprises three chapters that complete our look at the creation of a space-based resource-extraction economy in northern BC. Chapter 4 provides an historical summary of the evolution of a space-based economy in rural and small-town BC. It starts with a description of the First Nations foundations of a trading economy dependent on the exchange of resources. Attention then turns to the Post-War Rehabilitation Council and its recommendations for a proactive approach to exercising BC's resource-based comparative advantages in the emerging global industrial complex after the Second World War. WAC Bennett's government adopted the Council's outline, and this set in place a foundation of economic and community infrastructure that sustained BC for more than thirty years.

Chapter 5 probes some of the issues that caused the breakdown of the space-based economy. Under a succession of crises to the Fordist regime of production, industry began to adopt flexible production systems that have since become associated with deep restructuring and change across BC's resource industries. The provincial government followed suit by undertaking a series of refocusing and retrenchment actions commensurate with trends predominant during an era of neoliberalism. Against this tide of industrial
and state “pull-back,” local governments and communities were obliged to respond to economic change with a shrinking set of tools. The chapter outlines the erosion of some of these fundamental tools, but finishes with a description of recent economic renewal exercises.

Chapter 6 is about transitions from a development approach founded on a hinterland resource bank towards one driven by place-based opportunities, assets, and aspirations. It describes in detail some of the macro- and micro-responses to restructuring. At the macro-level, these include the creation of regional development agencies, action towards treaty settlement, and the success of initiatives such as the establishment of regional trusts. At the micro-level, however, the story is one of local actions being “stuck in the middle.” Economic and community development, as played out over the past twenty years, has too often lacked a firm grounding in the unique characteristics and assets of places and regions and, similarly, has not been supported by aggressive programs of implementation. Without these two bookends, suggestions for economic opportunities remain stuck in the middle.

The three chapters in Part 3 describe the importance of reimagining a place-based economy and of exercising competitive (rather than comparative) advantages in renewing the economies of northern BC. Chapter 7 examines the forces of renewal now permeating rural and small-town BC. Critical here is the ascendancy of place as a new context for rural and small-town renewal. Issues central to place mobilization are postproductivism and economic competitiveness. In this chapter, we examine these concepts and trends using a rural lens.

Chapter 8 delves into some of the dynamic tensions surrounding rural and small-town renewal. These include many of the actors identified in earlier chapters as crucial to northern BC’s mobilizing for change: business, industry, labour, communities, nongovernmental organizations (NGO’s), local/band/tribal council government, civil society, and a host of others. The transition from a space-based to a place-based economy will be difficult, and recognition of potential barriers can assist with the transition.

Chapter 9 explores some immediate directions and actions for transforming northern BC into a more competitive place-based economy that is responsive to shifts and opportunities in the global economy. Using a vision of northern BC “in twenty years” as its starting point, the chapter then describes sets of actions and opportunities for a host of players in the public, private, and civil society sectors.

The last part of this book (Part 4) consists of two chapters. Chapter 10 examines issues central to intervention. As noted for the 1960s-1970s development period in British Columbia, state investment and intervention was critical to realizing a successful vision of community and economic development. Following a neoliberal-led policy and investment withdrawal from northern BC’s rural and small-town places, this chapter enunciates the
argument for a return to forms of intervention that fit with the renewal approach and ethos.

Our concluding chapter summarizes the core issues from our detailed analysis of the development trajectories and potential of northern BC. Aside from the many recommendations and case examples that follow, one central lesson is critical: it is important to take action. As will be discussed, a laissez-faire approach to regional development is just too unpredictable and reactionary to stake our futures on. Doing things matters; not doing things has consequences.

The renewal of northern BC’s rural and small-town communities and economies looks like a big task, and what will make it possible is doing a great number of little things. If you have a strategic plan to guide renewal, small coordinated actions become cumulative. Renewal is about building and implementing that strategic plan. Renewal is about providing a framework so that groups, individuals, governments, and economic partners will all see steps they can take to better situate their place in the global economy.