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Economic Development on Haida Gwaii: “Ounces, not Pounds”

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BRITISH COLUMBIA AND HAIDA GWAII IN CONTEXT

The quotation “Ounces, not Pounds” used in the title of this paper encapsulates volumes of literature, reports, studies, and policy documents related to the development of rural and small towns in British Columbia, across Canada, and to a large degree in other industrialized countries. The emphasis on weight adds particular relevance to those rural places that also happen to be remote – as is the case with Haida Gwaii, an island archipelago off the coast of northwestern British Columbia. In essence, Roslyn Kunin, the author of the quotation, is warning all coastal (and remote) rural communities that their economic (and therefore community) future depends on maximizing the value of their resources and products (Kunin, 2012). Remote coastal communities, like those found on Haida Gwaii, are simply unable to compete with other jurisdictions around the world – for workers and capital – by producing conventional products and services. This is particularly true for communities in coastal British Columbia (BC) where the mainstream economy has already pillaged the resources that would enable short-term economic development based on the trade of bulk natural commodities. So, by virtue of geography and history, Haida Gwaii must focus its economic development efforts now and in the future on value – value found in its people, its environment, its remaining natural resources, and on the uniqueness of Haida Gwaii.

The purpose of this paper is to provide a historical and contextual foundation to understand economic development on Haida Gwaii. While the islands are unique, the pressures and opportunities residents face from a development perspective are common with other rural locales. Truly understanding economic development on Haida Gwaii requires both perspectives: the local and the global. This paper begins with an overview of the development context in BC and Haida Gwaii. This is followed by background information on rural development. The paper includes First Nations context and history (central to understanding economic development on Haida Gwaii), but leaves substantive discussions of these issues to the other working papers in this series. The main section of the paper is next, outlining the theory and practice of place-based development. This section also highlights a variety of examples from Haida Gwaii that illustrate the concept of “place.” Finally, the paper includes a series of questions Action Canada participants can reflect upon in anticipation of their visit and discussions with those really in the know – the people of Haida Gwaii.

1. British Columbia – A Trading Economy

Since time immemorial, northern BC has been a trading economy (Northwest Tribal Treaty Nations [NWTT], 2004). The quality-of-life for First Nations 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 fulfill community needs and aspirations. A great deal is known about how different First Nations traded goods across the BC landscape prior to European contact (Harris and Matthews, 1987). Historically, coastal First Nations traded seafood (especially the prized oolichan grease), cedar, shells, and a host of other products from the coast with people living across the interior of BC. In turn, people living on the interior plateau exchanged goods not available on the coast. These trading networks rested on principles of commodity exchange in order to obtain goods not available locally. First Nations also created a dense network of trade routes and exchange sites across the landscape. Volume 1 from the 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 particularly 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 in interior BC wanted to make decisions, he would write to headquarters (i.e. Britain). 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. The success of this older and slower version of the system should not be underestimated, 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 today 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. The economic crisis that accelerated during the autumn of 2008 is, of course, a very dramatic example of the pace and interconnectedness of this global economic system.

The rapid pace at which change occurs has several implications. To start, actions (or inaction) in different policy realms in BC can have immediate consequences in other non-related areas. For example, as 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 and influence their trip selection and, by virtue, our tourism economy. A more direct consequence is that the pace of such change challenges the responsiveness of large institutions like the BC Provincial government. Large governments simply cannot respond in a nimble manner to rapidly changing opportunities and crises. Rural locations must try to be prepared and equipped so that they can be flexible and responsive to opportunities as they arise, not to mention organized in responding to economic cycles of boom and bust -- because the provincial government may be very limited in their responsive capacity.

In the early years of the twenty-first century, the rural and small town¹ places of northern BC were home to a vibrant set of cultures within a diverse physical landscape. Today, 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.

Rural BC is endowed with a variety of economic advantages:

1. The northern regions of BC are attractive to people and investment:

- Affordability (e.g. land and housing)
- Quality of life factors (small town, natural environment)
- Demand for amenities (e.g. burgeoning retirement and tourism opportunities)

2. The northern regions of BC are resource rich:

- Resource wealth for extraction and processing
- Share of export wealth: non-metropolitan regions of BC are responsible for 71% of the export wealth generated in BC (Baxter and Ramlo, 2002)
- Tourism opportunities/amenities

3. The northern regions of BC display strong social characteristics:

- Commitment to place exhibited by northerners
- Aboriginal legal rights and commitment to the land base
- Sizeable Aboriginal youth population

Despite these many advantages, when compared with the rest of the province, northern BC faces competitive challenges by virtue of *pockets* of social and economic trends, including:

- Higher dependency on primary industries (less economic diversity)
- Higher levels of unemployment
- Lower levels of education
- Fewer services
- Difficult access to services

These trends vary in magnitude; however, as a generalization, socio-economic performance tends to decrease as the distance from metropolitan areas increases. Socio-economic trends are also comparatively lower in Aboriginal reserves (Royal Commission on Aboriginal Peoples, 1996). In addition, uneven patterns of development are increasing across the province, leading to disparities and the potential for political and social alienation.

Beyond these characteristics, economic development strategies in northern BC must address and overcome a variety of competitive disadvantages including:

- The trend of decline in primary industry employment
- Geographical dispersion of small businesses
- The decline of the population base (e.g. youth out-migration is taking place)
- An aging population
- Limited information and IT access
- Limited access to investment capital
- Geographic isolation increases business costs
- Uneven access to education

Each of these general patterns is evident on Haida Gwaii. In outlining a First Nations demographic, it is important to note that population data for First Nations communities are somewhat problematic. First, while the census records and presents population data for geographic communities like those found on Indian reserve lands, Statistics Canada recognizes that there are “undercounting issues” due to a range of valid personal and political statements that are made through lack of participation. A second challenge concerns the more general question of how to count “community members.” This can include people who are not living on reserve, those who are temporarily away from the community, as well as those added to or taken off band and tribal council lists of community members because of changing definitions under the Indian Act or band and/or tribal council governance documents. A third challenge includes how to enumerate the urban Aboriginal population under the evolving structure of federal, tribal council, and band jurisdictional frameworks.

Socioeconomic statistics on Haida Gwaii reflect the broader patterns and trends associated with rural BC noted above. In addition to the statistical qualifier mentioned above, it is important to recognize the tremendous diversity between and within the communities on Haida Gwaii. As the Gwaii Trust (a development agency on Haida Gwaii – see below) notes in its recent annual report, the communities of Haida Gwaii are “both unique and similar” – unique in their economic make-up and culture, and similar as being part of “island life”, and in terms of the economic barriers of cost due to distance (Gwaii Trust Annual Report, 2012).

The population of the islands is approximately 4,800 people, with a demographic makeup of 45% Haida and 55% settled societies. Standard socio-economic indicators are outlined in Table 1.

TABLE 1. SOCIOECONOMIC INDICATORS IN HAIDA GWAII

	Haida Gwaii	BC
Population	4,812	4,573,321
Average Family Income	57,598	80,511
Income Dependency		
Forestry	14	7
Mining	0	3
Construction	4	8
Government Transfers	18	15
Tourism	11	6
Public Sector	33	26
25-64 yr olds with High School	48.7	61.8
% of 18 yr olds that did not graduate high school	69.9	27.9
Life expectancy at birth	76.3	82
Infant mortality (per 1000 births)	13.9	3.7

(SOURCE: BC STATS, 2011)

From an economic development perspective, these indicators reflect a variety of important considerations:

- The importance of linking economic development with community development related to education and health. These social factors form the foundation for healthy communities and create the potential for healthy economies.
- Average income is considerably lower on Haida Gwaii, which poses a challenge in terms of community investment, social stability, and purchasing power for the inflated price of transported goods. However, this indicator should also be qualified with the lower cost of housing on the islands (and that the provincial figures are heavily skewed by the Vancouver and Capital regions).
- Income dependencies reveal expected patterns of higher levels of reliance on primary sectors, government transfers, and the public sector – highlighting the need for a development focus on economic diversification.

The indicators are helpful in providing both a snapshot of comparative socioeconomic performance – and tracking trends over time. What the indicators fail to do is to provide any historical and developmental context to understanding the origins and roots of present day conditions. The following sections provide details on that historical, economic, and political context for the province of BC – and for rural areas generally.

RURAL DEVELOPMENT IN CONTEXT

The roots of the present economic and settlement landscape in northern BC are described here in two post-settlement eras of development. Through the 1950s and 1960s, BC's provincial government followed a coordinated public policy approach based on a model of industrial resource development (Williston and Keller, 1997). As noted, this led to a 25-30 year period of rapid economic and community growth across the region (Halseth *et al.*, 2004). New communities and high quality local infrastructure were the backbone of industrial centres using the province's rich resource base.

Against a disjointed backdrop of economic and social life in post-war BC, the election in 1952 of W.A.C. Bennett's conservative Social Credit party marked a turning point in resource exploitation. The post-WWII period became a directed enterprise with clear policy goals aimed at 'province building' (Williston and Keller, 1997). As was happening elsewhere in Canada, BC's resource endowment was imagined as a foundation for provincial prosperity. This period also coincided with the international expansion of economies as part of post-war reconstruction.

The Bennett government made strategic investments throughout the BC hinterland (i.e. non-metropolitan regions; metropolitan areas are referred to as the "heartland") in a variety of areas, including: using wood waste to support a new pulp mill industry in the province's interior, hydro-power expansion, the development of a full highway network, an integrated rail network and regional airports (Tomblin, 1990). These economic investments were also matched by a supportive and coordinated policy framework, such as changes to the forest tenure system to facilitate greater certainty (and thus capital access) for emerging large-scale forest companies. As Mitchell (1983) states: "no frontier has ever experienced a more concerted push towards economic expansion; this was British Columbia's Great Leap Forward (p.257)."

To support new resource development in BC's hinterland, new towns were needed. Historically, such towns may have come about in a rather chaotic fashion – something both Canada and BC recognized was a potentially expensive and often wasteful process. Thus, in addition to the sweeping policy changes needed to support large resource development projects, the provincial government also sought a mechanism to create 'instant towns' in remote resource sites. These towns were designed to offer a suite of social and community services in an effort to stabilize the workforce, secure additional local economic investment, and foster an atmosphere of permanence. As such, new employment opportunities were created, but with a foundation of town economies and a sense of broader support for the regions generating BC's resource wealth. Ultimately, the longevity of the Bennett government, matched with a vision for post-war (re) construction and a willingness to invest, radically transformed the economic and social dynamics of the province.

While there are lessons that can be sought from the vision, consistency, and investment orientation of this period, there were also several significant negative consequences for the future development of the province cultivated during this time – consequences that are particularly magnified on Haida Gwaii in terms of seeking new approaches for development. For example, the narrow government and industrial focus upon resource commodity industries that sought to export only minimally processed raw materials left the province vulnerable to market demands and prices, and severely hindered local economic diversification. It also exacerbated tendencies towards environmental degradation (e.g. by compensating for lumber price downturns by increasing the fiber supply to sawmills) that currently hinder efforts at economic diversification associated with both resource and non-resource sectors (Marchak *et al.*, 1999).

In addition, the post-war approach to development brought the interests of the state, business, and labour into close alignment with the result that over time, this coalition resisted needed policy changes within BC's resource industries regardless of the particular provincial government party in power. Finally, the complete marginalization of First Nations from title and rights during the post-war period (continuing a trend reaching back to first colonial contact) planted the seeds of uncertainty and social issues/concerns that are now fully expressing themselves across northern BC, curtailing economic investment and hindering real development prospects for First Nations communities (KPMG, 1996). The resolution of First Nations claims to territory through the modern treaty process is consistently cited as a top recommendation for revitalizing the economies of the north (BC Progress Board, 2002).

To gain a more complete picture of First Nations economic development, it is important to recognize the challenges associated with the legacies of colonialism. These include residential schools, long-term unemployment, paternalism, oppression, racism, limited attention to capacity development, a lack of economic development planning at all levels, underinvestment

in service and community infrastructure, and deliberate efforts by the government to destroy languages and cultures as part of an “assimilation” agenda (Mitchell and Maracle, 2005). A significant and growing body of research across many disciplines now ties historically disruptive processes with contemporary issues of poverty and dependency, based on exclusion from northern BC’s resource industry economic boom, to explain much of the social malaise and community pathologies that challenge Aboriginal community and economic development. Histories of colonialism, as well as current work on community social, health, and economic well-being, all point to community development as a critical foundational step to successful economic development.

The second development era, the period since the 1980s until the present, has marked considerable economic restructuring in British Columbia and across the industrialized world. A recession in the early 1980s marked a ‘sea-change’ in BC’s resource industries as they struggled to function within an increasingly globalized economy. As industry and government have responded to this change, there has been a fundamental shift in the industrial compromise that linked industry and government with labour and, indirectly, with rural and northern communities. As a result, resource companies are aggressively restructuring towards a more ‘flexible’ style of production. This often includes larger manufacturing plants with increased levels of technology and fewer employees so as to keep ‘per unit’ production costs low and production flexibility high. For BC towns and communities that had previously thrived under the high employment regimes of resource industry production from the 1950s through to the 1980s, there have been considerable ongoing social and economic impacts associated with the transition.

SPACE AND PLACE IN ECONOMIC DEVELOPMENT

1. *The Space Economy: An Economy of Pounds (and Tons)*

The future of Haida Gwaii’s community and economic foundations means shifting from a *space-based* economy that has defined the mode and trajectory of development across BC and on Haida Gwaii, to a *place-based* economy that values local assets and builds community resilience. Yet, what is meant by these terms?

Being highly resource based, the BC economy was founded on moving natural resource products across great distances, through trade, to more advanced industrial economies. In other words, BC’s 1950s-1970s economy can be understood as the “old economy” where long distances, and the challenges of overcoming the costs associated with those long distances, were *the* central policy issues. The investment process was driven by the need to reconcile local resources with distance and topography. The result was the creation of instant towns to support a labour force for local extraction, and roads, rail lines, and port facilities to support the movement of extracted resources. The provincial government established policies for the development of resource frontiers to overcome distance in order to access remote resource sites, facilitate harvesting and production, and transport resources to markets for the benefit of the local, regional, and provincial economies. This approach defines the “roads to resources” policy era, and it was via those roads that the vast “resource bank” of distant rural spaces was accessed for provincial benefit (Mitchell 1983). In a space-based economy, rural regions are simply viewed as “spaces” that contain natural resource wealth. They are not viewed through a more holistic lens that recognizes unique cultural attributes or other assets that may be mobilized for economic and community development purposes.

Despite the scale associated with mobilizing investments to access the resource bank, the simplicity of constructing a space-based resource-based economy is that it has a narrow economic focus on exploiting raw resources and facilitating extraction and commodity export. The landscape of the space economy is narrowly comprised of a set of disjointed settlements linked to the export points and managed from a core (i.e. heartland) that directs the valuing and extraction of those natural resources. However, in the new economy where (1) capital is much

more mobile, (2) the resources of governments are more limited in terms of directing development decisions, and (3) where there are a myriad of competing values associated with particular places and resources, the simplistic model of the space-based economy begins to fragment, as we will see through the example below.

1.1 The Space Economy on Haida Gwaii: *Taking it All Away*

In 1996, BC Wild (a non-profit environment organization) produced a document, *Taking It All Away*, which outlined how large lumber companies, enabled by the Provincial government, were effectively strip-mining (literally clear-cutting) the forest resources of Haida Gwaii – and for very limited local benefit (i.e. local jobs and investment). This approach to resource management and local development epitomizes the shortsightedness and severe impacts (social, economic, ecological) associated with the space-based economy.

In addition to the lack of local benefit associated with the forest industry on Haida Gwaii, reviews of the timber supply revealed unsustainable cutting rates (well above even provincial estimates that were geared almost exclusively to economic objectives). This proved that the provincial government was not effectively managing the forest resource for the long-term, further highlighting that the resources of Haida Gwaii were not being conceptualized as a resource that could help to sustain economic development activity on the islands over time. The report outlines these issues and describes how this information helped to motivate a local response (and cross-sector organization) to foster a more sustainable – and local – approach to resource management on Haida Gwaii. See: <http://www.spruceroots.org/TakingItAll/TakingItAllAway.html>

2. The Place Economy: An Economy of Ounces

A place-based economy requires a different approach to conceptualizing and valuing rural landscapes and resources. The focus is on a broader and more complex view of the economic and intrinsic value of places. The intrinsic value of localities includes the myriad of resources (natural and otherwise), both in and on the ground, and the ways that such places are understood and valued. The future economic development of Haida Gwaii must include significant attention to a place-based approach. The scale of the islands, their remoteness, and the long timelines associated with ecological restoration all speak to building an economy of *ounces*.

Importantly, the unique mix or bundle of place-based characteristics does influence capital investment in rural areas. This bundle of assets includes such local variables as location, natural amenities, technological and communications infrastructure, population and labour force attributes, built landscapes, cultural heritage, and much more. It includes the “story” of the place, its external images, its leading characters, its reputation in the media, and the folklore that attends its history. Place-based characteristics include, or in some cases are overlain by, many factors that localities cannot control like the federal and provincial regulatory and taxation systems. To be effective in mobilizing those place-based characteristics that *are* under local control, communities need to understand how to work effectively within their locality and in cooperation with other communities to both protect and realize place-based assets and values. Cooperation with adjacent communities is critical because externalities (both positive and negative) from decisions and actions in one place affect other places. In the past, overcoming the disjointedness of the space-based economy was simply about connecting resources, labour, and markets across distance. The place-based economy involves this and much more. A significant challenge for place-based economies is to recognize that our actions or inactions can affect our choices and flexibility for many years into the future. As places have an enduring quality, when we make a decision in the new economy we have to make sure it does not harm potential opportunities in the future.

A set of broad themes helps to clarify and operationalize place for development purposes. First, although an economic focus remains, there is now greater consideration of culture, the environment, and the community, as these are now desirable assets in the new economy. The

appeal of rural and small town places must now emphasize access to recreation, culture, amenities, affordable retirement living, a sense of community, and lower land costs that will make these communities attractive to people, business, and industry. Haida Gwaii is comparatively rich in many of these “other” values that have been traditionally ignored in economic development planning.

The ascendancy of place brings a greater diversity of values (and understandings of value) to economic development. Through place, we gain an appreciation of a more comprehensive or “whole” economy than is often externalized and ignored in the narrow space-based interpretation of resource exploitation in peripheral hinterlands. In addition, within the place economy, an appreciation for diversity means that difference matters. Place can become a factor, for example, in “product differentiation” as a source of market value. This rethinking of “place” rather than “space” challenges homogeneous interpretations of “rural”, potentially uncovering the latent diversity noted in other rural research. This will be particularly important on Haida Gwaii, as businesses seek to differentiate – and hopefully gain a premium – for their products that are associated with Haida Gwaii as a “brand” in the global economy.

Second, a place-based economy demands much more on local capacity. From a value-added perspective, local people and institutions are a source of local knowledge that helps to identify community and regional assets. Local capacity must accommodate and forge new relationships and partnerships that represent critical sources of innovation in social and economic development within the context of a more globalized economy. Perhaps the greatest challenge to this increased role for local capacity concerns compensating for state withdrawal from the functions of, and responsibility for, service provision (and the technical capacity that it entails). The added burden of responsibility on rural communities means that those communities with high capacity, and those regions that are working effectively together to present a unified vision for development in their area will do better and receive a greater share of resources to help support economic development. Regions with lower levels of capacity, or those areas where communities are plagued with infighting and disagreement will stagnate.

Third, governance is more prominent within a place-based economy. While potentially stressing available local capacity, there are two positive place-oriented by-products associated with enhanced governance. First, governance implies a redrawing of the lines of accountability and control, away from centralized state power, to be dispersed among a greater diversity of local and extra-local actors and institutions (i.e. not just senior governments making decisions). In the fast-paced global economy, centralized state governments simply cannot respond quickly to changing conditions. Second, the participation inherent in governance fosters a sense of local ownership, over decisions and ultimately resources, which did not exist under previous top-down regimes. Thus, a more focused attention to “place” reveals a greater variety of assets and fosters an awareness that those assets are local and may be used for local purposes. Governance is a critical issue for Haida Gwaii and the evolution of nation-to-nation (Canada and the Haida Nation) dialogue and management regime that now defines the evolving role of governance on the islands.

Finally, a place-based economy demands investment to construct and maintain place competitiveness. The dynamic nature of an economy driven by competitive advantage requires renewal (i.e. we have to keep investing in and updating our local infrastructure). Rather than viewing outlays for infrastructure within a space-based economy context as expenses against a short-term bottom line, they must be viewed within a place-economy approach as investments that support long-term local and regional economic diversification. This again presents a considerable challenge to smaller and more remote regions, as they must balance the need to provide high-quality infrastructure with the ability to pay for it, and not over-burden the community or regional tax-base. Collaborative investments by (and between) communities, regions, and senior levels of government represent a proactive and positive approach for meeting rural infrastructure needs.

Two examples of place-based development initiatives on Haida Gwaii are Haico, the development corporation started by the Haida Nation; and the Gwaii Trust, a development endowment created by the Province to help facilitate economic diversification and community development on the islands.

2.1 Place-based Economy on Haida Gwaii: Haico and the Gwaii Trust

HAICO:

Haico was founded in 2009 as a development corporation affiliated with the Council of the Haida Nation. The corporation is charged with managing the business enterprises of the Haida Nation with the overall goal to develop a sustainable economy on Haida Gwaii.

Development corporations are a common and well-tested vehicle for enabling and localizing economic development. Within First Nations communities, the advancement of the development corporation model builds from a wide body of research that highlights the advantages associated with separating political and economic development functions (Jorgensen and Taylor, 2000). The development corporation is tasked with building entrepreneurial capacity and making development decisions that are grounded in the principles and practices of good business (i.e. without direct political interference). The political function is responsible for establishing the principles and parameters of the development corporation, and then deciding how best to invest the proceeds from any development activities.¹ Through this mechanism, First Nations (and other communities) are able to combine best business practices with ties to and a grounding in the cultural nuances of the community.

The mandate and strategic plan for Haico reflect these development corporation principles – and are clearly linked with the place-based approach to development identified above. The corporation is charged with developing economic opportunities for and with the Haida peoples and the peoples of Haida Gwaii following strict adherence to Haida culture and to the practices of sustainable development. See: <http://www.haico.ca/home> for more information.

THE GWAII TRUST SOCIETY:

The Gwaii Trust Society was formed in 1994, endowed with an original fund of \$33.3 million, which through inflation has grown to approximately \$56 million. The Trust was created to help offset the loss of forestry jobs, and foster new economic opportunities associated with the creation of the Gwaii Hanaas National Park reserve in the southern portion of Haida Gwaii. The Gwaii Trust fund allocates grants each year at a rate of 3-4% of the total endowment (including administration) in a variety of program areas, including the arts, infrastructure, health, capacity-building, culture, tourism and education.

The creation of endowed trusts represents an interesting innovation to help communities and regions with the processes of community economic development. Local boards are usually responsible for managing the trusts (infusing management and funding decisions with local knowledge and accountability), and the disbursement of a select percentage of the fund annually (usually in the 3-6% range) helps to preserve the capital of the fund in perpetuity. Economic diversification and community development are long processes, and the trusts are intended to provide a support mechanism, and seed capital, for the duration.

¹ Haida Gwaii Community Futures is also an agency of the very successful and innovative federal Community Futures Development Corporation model. HGCF has a variety of community and business development programs (and investments) to assist the islands with community economic diversification.

CONCLUSION

The importance of place tells us that abandoning communities and regions to the vagaries of the market is shortsighted. Place matters and doing things to foster development, in places, matters. Strategic investments are necessary to establish a foundation upon which diversified economic and community development can flourish. What is also evident from reviewing the history and prospects for economic development on Haida Gwaii is the inextricable link between economic and social (and cultural) development. Transitioning from a space to a place-based economy will demand much more of local peoples and institutions. Communities need healthy, well-educated and trained people to manage and implement development processes that are truly sustainable – in economies of pounds and ounces. Communities must also build and mobilize the knowledge and creativity of local people who know their communities best. In this way, the islands of Haida Gwaii serve as a microcosm of the province, and really the entire planet, in terms of learning to live in harmony with each other – with difference and “other” – and with the natural environment.

Place-based development is not new. It is not the next fad or innovative pilot that will be quickly forgotten in the next round of government funding criteria. It is, however, an underutilized approach to doing development. Rural communities in BC, now thirty-years into restructuring from the model of development that built the province in the post-war era, have both matured (where they were created as “instant” towns) and recovered (where they have existed since time immemorial). These processes have instilled and reinforced a sense of identity that will ultimately be the most powerful force in the development process: love for and defense of “home.” The challenges of development in rural, remote locations are significant. Place-based development provides a philosophy and strategy that will guide investments going forward to build truly sustainable and resilient rural communities.

DISCUSSION QUESTIONS

- How do you prioritize capacity-building (e.g. health and education) within the development process? Is it seen as a by-product of, or precursor to, economic development?
- What efforts were taken (are being taken) to assist islanders who were most affected by the transition in the logging sector, i.e. reduction in annual allowable cut and the creation of Gwaii Haanas?
- What role is Gwaii Haanas playing in the economic diversification of Haida Gwaii?
- Given higher costs for goods and services associated with being remote, how is Haida Gwaii approaching issues of greater self-sufficiency (and therefore less dependency) in, for example, food and energy?
- How well do the communities of Haida Gwaii cooperate, collaborate for economic development? What efforts are being made to improve communications?
- If Haida Gwaii requires a premium on their products to make-up for the costs of transportation, are – for example – sustainable development practices delivering a premium and able to compete in the global marketplace for resources?

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ENDNOTES

- 1 Definitions of rural vary considerably in the literature. From a policy perspective, rural boundaries carry political implications in terms of defining population levels and allocating jurisdictional capacities and responsibilities. Population estimates affect decisions regarding a wide range of issues including service delivery, the division of electoral boundaries, and overall political influence. For example, the Statistics Canada 'census rural' definition (individuals living in the countryside outside of centres of 1,000 or more) produces a rural population figure of 22 percent of Canada's total population. However, if an OECD definition is used (individuals in communities with less than 150 persons per square kilometer), the Canadian rural population figure jumps to 38 percent of the total population (du Plessis et al. 2002, 9). Beyond strict statistical interpretations of rural, researchers have presented a variety of definitions that include community characteristics and perceptions of identity. du Plessis et al. (2002) present the concept of 'degrees of rurality,' which nicely accommodates various interpretations of rural and allows for community identification as rural, even though certain communities may exceed population, distance, or density parameters.