Facing the Challenge of Industry Closure: Managing Transition in Rural Communities

A Report by the Provincial and Territorial Departments Responsible for Local Government, Resiliency and Recovery Project Committee

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The report presents insights on the context, circumstances and actions, influencing the recovery of resource-dependent rural communities facing the crisis of industry closure, in order to provide a better understanding of the tools and strategies of the transition management process. The report, commissioned by the provincial and territorial ministers responsible for local government in Canada, moves beyond a regional economic development perspective to take a broader approach that focuses on the experience and role of all actors in coping with and managing transition to redevelop these rural communities.

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Table of Contents

Foreword i

Executive Summary 1

Acknowledgements 8

Introduction 9

- Purpose of the Report 10
- Methodology 11

Trends Affecting Resource-Dependent Communities 13

- Population Trends: Rural and Urban Canada 13
- Economic Changes in Key Resource Sectors 14
- Health Trends 16
- Policy Decisions 16
- Summary Observations from Trends Review 19

Literature Review 20

- Introduction 20
- Background 20
- Defining Community Transition and Recovery 21
- Recovery 21
- Factors that Impact a Community's Recovery 23
- Role of Key Actors 25
- Timing 27
- Summary Observations from Literature Review 28

Case Studies 29

Case Study Analysis 62

- Introduction 62
- Methodology 62
- Caveats 63
- Role of the Federal Government 63
- Role of the Provincial and Territorial Governments 69
- Role of the Local Government 74
- Role of Departing Industry 79
- Role of Community Organizations 85
- Summary of Common Themes 89

Appendix 1: List of Contributors 94

Appendix 2: Best Practices for Transition Management 96

Appendix 3: Bibliography and Other Resources 101

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Foreword

Rural and small town Canada is changing. Social, political, and economic restructuring is touching virtually every aspect of rural and small town life. The two questions most often raised in this regard are: "How can we understand these changes?" and "What positive steps can we take to meet the challenges and opportunities inherent in these changes?" This report, Facing the Challenge of Industry Closure: Managing Transition in Rural Communities, is a useful tool for local, provincial, territorial, federal, and private sector decision makers, and others, to assist in understanding that these changes are part of a larger process of restructuring, and that our collective responses to these changes need to be better coordinated.

The provincial and territorial ministers responsible for local government recognize their collective need to address rural and small town restructuring in a consistent and coordinated fashion. This report provides an analysis of demographic, economic, and policy trends that have been important in affecting resource-dependent places. In response to identifying positive steps which might be taken to meet the challenges and opportunities created by change, the report distils the literature on rural and small town resiliency and recovery, and combines this with 16 case studies from across Canada that tell about how resource-dependent places worked through uncertainty and change.

The analysis has been brought together in a clear and effective set of statements that provide important messages for both policy makers and community decision makers. For policy makers, there is a need to take seriously the impacts of economic restructuring and to recognize the role that public policy actions play in how those actions work themselves out in small places. Unintended consequences from policy decisions are identified as a key challenge for federal, provincial, and territorial governments. For local communities, there is a clear message that they are not alone. The kinds of changes which they may feel within their own community are being driven by larger changes in the global economy and there is a body of expertise developing that can now be brought to assist them with creating local options for renewal.

The report brings a good deal of clarity to the complex world of social, political, and economic change as it is seen from rural and small town Canada. I wish to call particular attention to nine themes that stand out for me in this report:

- There must be a recognition and commitment to work together long before economic crisis occurs. Trying to add a vision and strategy exercise onto an already stressful period of economic crisis is clearly not the best way to success. There are many stakeholders with an 'investment' in Canada's resource producing places who need to be brought together to talk about future options.

- There must also be a private sector commitment to provide the earliest possible warning of economic concerns and a similar commitment on the part of community and government decision makers to build on any lead time afforded by such notice. Too often these two foundational issues of advance planning and lead time are not taken advantage of. For example, the 2003 closure of the Bullmoose mine, on a schedule known years in advance, was almost a non-issue in Tumbler Ridge compared to the crisis which followed the unexpected closure announcement of the Quintette mine in 2000.

- It is also important to recognize that the factors affecting community resiliency, transition or recovery options are not only connected to broad social and economic changes, but will also work themselves out through the complex setting of local interests, actions, assets, and aspirations. One-size-fits-all will not be an effective policy response. The report identifies how transition management options may necessarily have to cover a range of options nearly as broad as the range of places in which they may need to be deployed.

- The report also identifies an important need for collaboration between all actors in this process. As such, it identifies key roles for the federal government, the territorial and provincial governments, local governments, industries and the private sector, and community organizations. Each group of actors has derived benefits from these rural and small town places, and their respective 'stake' means that they also have a share in the future of those places.

- This breadth of actors, set into a context of complex local relations, also identifies a wide range of actions that can be mobilized in response to economic change. These include efforts at diversification, efforts at supporting workers through transition and training, and building up community capacity to respond to current and future challenges.

- To meet any current recovery needs, and to equip places with the capacity to respond in the future, the report underscores a clear recognition that, in many instances, financial resources must be made available through a variety of means. These may involve service and infrastructure investments, workplace retraining, and special targeted assistance for projects like economic strategy planning. Actions coupled with appropriate support can create community resilience.

- Given the clear recognition that responses to crisis and change will be different across Canada's diverse rural and small town landscape, the report is also clear that evaluating the success of transition planning exercises will need to be different and appropriate to those cases.

- The report also identifies the need to treat the role and application of new information technologies in a more sophisticated and connected manner. While technology allows industry to be 'anywhere', it is precisely the equality of life and cost differences in which rural and small town Canada has advantages that can now assist in attracting new economic activity. If we are going to connect and market via the Internet, we must remember the importance of other infrastructure like roads, rails, and airports to move the ordered goods and services to customers.

- Finally, it needs to be acknowledged that, in rare cases, town closure may be the appropriate transition management option. Such may be the case where issues of remoteness and isolation limit diversification options.

As each of the rural and small town places profiled in this report shows, there is not only a diversity of circumstances, but also a diversity of aspirations and goals within small places as to how they imagine their community and economic future. It will be important that public policy not only be flexible in response to this diversity, but the evaluation of public policy success also needs to be attuned to the different measures of success that rural and small town places might define for themselves. Research in the coming years must add to this work by addressing critical questions around strategic investment options at the local, regional, and national levels, policy consequences for both large and small places in our intensely interconnected Canadian economy, ways to measure success that show some imagination and account for issues like quality of life and culture, and ways to meet the challenges of collaboration

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among stakeholders. The need for creativity in our solutions will demand a similar creativity in our background research to find and test new options and possibilities.

These themes, as well as the case studies, reveal a great deal about Canadians as well as about Canada's rural and small town places. No simple economic determinism acts as a hidden hand shaping inevitable destinies for such places. Instead, the many components of Canadian society and economy work in a dynamic tension that values our sense of communities, environments, cultures, and economies.

In summary, this report makes a strong case for community, private sector, government, and policy development to support rural and remote places as they creatively plan for a diversified economic future and an enhanced level of community capacity and resiliency to face change in the future.

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September 2004

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Executive Summary

Across Canada, many remote and rural communities depend solely on single resource industries for their economic survival. This dependence makes these communities particularly vulnerable to factors beyond local control, such as resource depletion, industry restructuring, shifts in world markets or government policy changes. Historically adapted to the temporary boom-bust cycles typical of resource industries, these towns and villages now face the crisis of permanent industry closures that could jeopardize their long-term survival.

The provincial and territorial ministers responsible for local government recognize that municipalities turn to them first in times of crisis, viewing them as their primary supporter and advocate with other ministries and levels of government and the departing industry. Because of this, at their 2002 summer meeting in Victoria, the ministers directed senior policy officials to study resource-dependent communities in Canada that had experienced permanent industry shut-downs.

The Resiliency and Recovery Project, which began in January 2003, focussed on three main tasks with the purpose of determining the most effective actions for successful transition management:

- an analysis of demographic, economic and policy trends affecting resource-dependent communities;
- a review of current and past literature on community transition and resiliency; and
- case studies of 16 remote, resource-dependent communities from across Canada.

The completed research is a valuable resource that can be used to develop a better understanding of community transition, the roles of government and other actors and the strategies, actions and tools that can be used to facilitate recovery. The information provided is contemporary and current. Unlike other studies that have looked at transition from a regional economic development perspective, this research has taken a different approach to gain an understanding of the roles of local and senior levels of government in the transition and recovery process, and on the relationships between them and the other private and non-profit sector actors involved in the community. This research provides a basis for all levels of government, resource industries and community organizations to develop effective practices to support remote communities in managing their transition from crisis to recovery.

Some specific issues could not be addressed within the focussed scope of this project, such as:

- working toward a definition and description of transition management success (process) and a definition of what constitutes a healthy community (outcome);
- community resiliency within the context of rapid industrial growth;
- best practices for permanent community closure;
- challenges and opportunities related to brownfield reclamation and redevelopment in rural and remote communities; and
- improving federal/provincial/territorial collaboration by developing resource materials (experiences, handbooks, options and checklists) on how to respond to industry closures in remote communities.

Summary of Trends Analysis

Within the last decade, it has become clear that a fundamental shift of sustained population decline is underway in rural Canada, especially in regions of the country where communities rely on single resource industries. Although Canada's overall population rose by 4% and urban areas grew by 6.4% between 1996 and 2001, rural and small town areas, apart from those adjacent to cities, saw their population decrease by 4.7%. In particular, youth are migrating out of rural areas to pursue educational, job and lifestyle opportunities, causing a rise in the median age of people in rural communities and reducing their capacity to develop economic and social strengths. Low levels of in-migration to small towns and rural areas are insufficient to redress these population and capacity losses.

The primary resource sector accounted for 7.1% of Canada's Gross Domestic Product (GDP) in 1981 but only 5.8% in 2002. The primary sector represented roughly 60% of total Canadian commodity exports in 1981, but has accounted for between 30 and 40% of Canadian commodity exports since 1993. Agriculture, forestry, fishing and hunting have declined most rapidly, while mining, oil and gas exploration have been more stable. Between 1987 and 1999, employment in agriculture, mining, and fishing declined across Canada. Forestry employment grew until 1995, but has declined since. The decline in primary resource sector employment has occurred in all Canadian regions, with Québec, Ontario and the Maritimes showing the highest rates of loss.

Canada's many economic changes have had an impact on rural and small towns across the country. While employment in the primary resource sector has declined since 1987, there has been significant growth in the other employment sectors. Thus, rural and small towns are showing signs of diversification. In 1987, the primary resource sector accounted for a little over 19% of total employment; in 1999, the share had dropped to 15.4%. Although there has been some growth in the high-value-added sectors usually associated with the knowledge economy in rural and small towns, these sectors still lag far behind in terms of their share of the total employment in comparison to urban areas. Rural, small towns and northern towns also lag significantly in their health status, with higher percentages of unhealthy people with unmet health needs.

The United States' Farm Bill and the 'mad cow' crisis have had a drastic effect on the agriculture sector, particularly on the Prairies. The ongoing softwood lumber dispute has had a severe impact on the more than 300 forestry communities dependent on the forestry industry, despite consistent trade rulings in Canada's favour. Fisheries closures because of declining stocks on Canada's Atlantic and Pacific coasts have impacted nearly 1,500 coastal communities and caused employment in this industry to plummet over the past several years. Although Canada is a major mining country with 128 small towns dependent on mining, commodity price fluctuations and government policy, particularly with respect to uranium mining, have caused significant job losses.

Summary of Literature Review

The literature review provided the research foundation needed to develop the community case studies used in this report. It identified many challenges faced by communities where an industry closure has occurred, including emotional shock and trauma, changes in service delivery patterns, the need for revisions to community plans and a new need for collaboration among all community actors. It also helped researchers acknowledge that many factors influencing recovery, such as geography, are beyond control. At the same time, the literature review provided the loose outline of the roles of various community actors, such as local and senior levels of government, in the transition management process. The literature review emphasized that managing the transition from crisis to a recovery is a long, slow and complex process that generally occurs in three stages: pre-industry closure, immediately following the closure announcement and long-term transition. These findings were confirmed by the case studies.

Summary of Case Study Results

The case studies reveal nine major conclusions that influence the action of all actors in communities facing an industry closure:

1. Work Together Long before the Closure Announcement:

Universally, communities are shocked by closure announcements and caught unprepared even when given advance notice. Nevertheless, advance planning can shield communities from many of the negative impacts of closure while supporting efforts to diversify the economy.

2. Provide Earliest Possible Warning of Closure:

Some warning is better than no warning, offering communities a chance to prepare themselves for the shock of change and think through how they will manage their transition to recovery. However, it should be acknowledged that resource industry operators do not themselves always know a closure is imminent.

3. Determine the Factors that Influence Recovery in a Specific Community:

No single condition determines whether or not a community becomes sustainable after an industry closure. Because all communities exist within unique circumstances, a complex interplay of factors and actor actions influence transition management.

4. Respond to Industry Closure through Collaboration between All Actors:

Contrary to research expectations and popular beliefs, no single actor seems to be primarily responsible for managing the transition and recovery of a remote community. Managing community transition is a collaborative effort. All actors must unite in a multi-faceted response at all stages of transition. Each actor ought to recognize the lead role it must play to make resource-dependent communities sustainable. In effect, each actor has a 'lead role' in some capacity:

- federal, provincial and territorial governments: set policy direction and prepare regions and communities for impacts;
- provincial and territorial governments: coordinate collaboration and funding from all actors;
- local governments: encourage and support collaboration on behalf of the local community, while taking responsibility for managing local issues arising from closure;
- industries: communicate intentions clearly and provide support to directly impacted workers;
- community organizations: provide practical support.

5. Discover the Uniqueness of Each Community:

New technologies like the Internet have the potential to help overcome geographic barriers and may provide new economic opportunities for small communities. However, as this technology reduces the importance of space and distance in some respects, it also means communities must become more competitive to appeal to industries that can now choose to locate almost anywhere. This means community stakeholders must identify the unique advantages of the community's specific place – such as the quality of the environment, natural beauty, amenities, services, and infrastructure – and aggressively market these assets to remain or become more attractive to business.

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6. Implement a Range of Actions:

No simple pathway to transition success was identified in the case study research. Instead, a complex, interrelated range of actions supporting successful transition management can include the following:

- planning and implementing economic diversification strategies;
- providing incentives for industry and new resident relocation to communities;
- determining and maintaining an appropriate level of public services during a period of adjustment;
- stabilizing municipal finance, administration and local service delivery;
- providing worker support; and
- maintaining high community morale.

7. Provide and Manage Financial Resources:

Managing transition can come with financial costs. Severance packages, lost taxation revenues, maintaining services and infrastructure, and developing economic development strategies are just a few of the costs arising from industry closure. All actors should be prepared to assess these financial needs realistically and step in to fill the gaps in a coordinated manner that will invest money wisely to avoid other costs and defray expenditures over time.

8. Define Transition Management Success Individually for Each Community:

Because of the differences between communities, transition management activities that work for one community may not fit the unique circumstances of another. Each community must define what successful transition management looks like for itself through a collaborative process involving all actors.

9. Accept Community Closures as Sometimes the Best Transition Management Option:

Industry closures are natural in resource industries and may lead to community closures if this is in the best interests of all actors. In the case studies, researchers observed a successful transition management outcome in the closure of one resource community (Great Harbour Deep, NL). From the information available, it appears that the decision to close the community was made within a timely five-year period and the migration of residents to other communities was handled well and with sensitivity.

Highlights of Best Practices

The following list highlights the best practices of each of the five major actors identified by the case studies as having a significant role in community transition and recovery. A complete list of best practices can be found in Appendix 2: Best Practices for Transition Management.

Federal Government

- analyze impacts of national policy on a regional and/or community level and consult with provinces, territories, regions and communities, before making policy decisions;
- provide a formal, advance notice of closure of its facilities as much before the closure date as possible to provide time for adjustment;

- maintain federal services in regions and communities impacted by industry closure;
- model good corporate behaviour by ensuring its agencies fulfill all environmental and aesthetic clean-up responsibilities when withdrawing operations from communities;
- continue to maintain core services and provide additional, time-limited transition services as necessary.

Provincial and Territorial Governments

- provide municipalities with greater flexibility in the way they operate so that they can be more responsive to economic crises;
- empower local governments to lead development and implementation of transition plans;
- encourage municipalities to work together on a regional basis, wherever possible, to find joint solutions and capitalize on regional strengths and opportunities;
- continue to provide core services or additional services to provide appropriate levels of transition support for a period of time.

Local Government

- make plans to develop and mobilize the local economy, while local industry is still strong;
- provide front-line leadership to determine the community's most sustainable future direction and to coordinate planning and collaboration to achieve community goals;
- communicate positive messages during transition about the community.

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Departing Industry

- work with community leaders to plan in advance for resource depletion and industry closure because most resource industries have a naturally limited life cycle;
- establish clear mechanisms for industry supports, such as retirement packages, home buyouts, severance, training and relocation, well before closure to ease transition and manage worker expectations;
- address the environmental hazards and aesthetic impact of industry activities on communities, particularly for industries involving radioactivity, chemical wastes, open pit mining and clear cutting.

Community Organizations

- work to ease the closure crisis and plan for immediate financial and social assistance to the community;
- work to build community capacity and morale;
- participate in the development of business plans, new market opportunities and economic development strategies.

Conclusions

The research conducted for this project has affirmed some notions and led to new insights on how small rural and remote communities can recover from an industry closure.

The research reaffirmed the idea that geography plays a major role in successful transition management, but that it is not the exclusive deciding factor. Geography determines the availability of economic diversification alternatives to replace the departing industry. A lack of natural resources, isolation, and poor access to markets make it difficult for a community to survive an industry closure. However, if these factors can be overcome, a community is more likely to have the economic depth it needs to manage its transition successfully.

The research showed that effective transition management anticipates and plans for industry closure instead of reacting to it. The time-frame for transition management actions must be pushed forward from the post-announcement to the pre-announcement phase of the recovery cycle. Indeed, in at least one instance from the case studies (Tumbler Ridge, BC), the prospect of eventual resource closure was considered in the community's planning and development phase, even before resource extraction had begun. Instead of responding to a closure announcement, stakeholders should expect it and prepare for it as a normal event in the life of industries that depend on non-renewable resources or resources that depend on shifting global markets. This normalization of industry closure will act as a catalyst for earlier economic diversification. It will also reduce the shock and trauma of industry closure by setting in place mechanisms to support workers and the community, and by preparing economic and social alternatives that contribute to community stability.

The study challenged beliefs that a small handful of actions by specific actors determine whether or not communities recover from industry closure. For example, the research found no evidence that industry behaviour, particularly its level of support for former employees, determines whether a community's transition management is successful. The research does show that local governments may be the best placed to plan for change and motivate the community to persevere, despite lacking resources and capacity to entirely effect transition outcomes alone. However, no single actor has an outsized influence on transition outcomes. Instead, the transition to community recovery is best managed through a collaborative effort of all actors. As well, the range of effective actions available to communities in transition is wide and diverse rather than narrow, enabling rather than prescriptive. Within this range, the actors involved in managing transition must choose a unique array of actions that best fit the distinct needs of each different recovering community.

In most instances, industry closure will have a significant financial impact on a community – particularly if the industry is within a municipal boundary. Lost taxation can mean reduced service delivery and decrease the local government's administrative capacity to develop the policies and planning necessary to attract new investment and growth. Successful transition management can include a financial component to allow a community time to adjust; however it is not advisable to develop a relationship where the community becomes dependent if the long term goal is community independence and stability. On a case by case basis, there may be many good reasons for providing financial support. For example, the community's long-term contributions to the province or territory and to the country's overall economy may make it reasonable to expect that these communities would, in turn, receive support during a time of crisis.

Because some communities are negatively affected by public policy decisions, compensation or relief would be a reasonable expectation. Another reason to provide support could be that public and private investments in the town could be lost if a community is unable to recover from an industry shut-down. As well, new opportunities could be lost or not fully realized unless a town is given a chance to recover.

In some cases, doing nothing to help struggling communities may result in costs, such as municipal debt and social assistance, being passed on to other levels of government because communities that do not recover often end up in a permanent state of financial and social stress and are unable to cover these costs themselves. Short-term support can also encourage communities to reach their full potential and break out of a culture of dependence over the long-term.

Affected communities need support through new and stable financial resources. All actors must be prepared to take part in contributing financial investments or in adjusting financial mechanisms to overcome the economic vacuum created by the departing industry. All levels of government need to work together to develop a coordinated strategy for managing revenues, costs and expenditures, and to spread expenditures over time to maximize the potential for community sustainability.

The project broadened the understanding of what transition management success might look like. For example, rather than avoiding community closure because of an industry shut-down at all costs, the research suggests that sometimes community closure is a viable option within a successful transition management process. While generally considered a last resort after all other options have been exhausted, community closure may indeed be in the best interests of the residents and all levels of government. This would be the case particularly if the community had no practical options for economic diversification, the population and tax base eroded significantly, and the costs of community maintenance exceeded the costs of community closure and the relocation of its citizens. But note, of the 16 case studies examined in this review, only one involved community closure – closure is a rare event in recent Canadian experience.

Throughout this study, the research confirmed that provincial and territorial governments play an essential role in the transition management process through their ministries responsible for local governments as well as through other ministries such as those involved in economic and social development and natural resource management. Because of their responsibilities, these ministries have the capacity to guide the transition management process and assist all actors to adopt the most effective array of best practices available to them. They also contribute to transition management by encouraging collaboration among all actors and by coordinating effective financial management to guide resource-based communities from crisis through to recovery.

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- British Columbia
- Alberta
- Manitoba
- Newfoundland and Labrador
- Northwest Territories
- Nova Scotia
- Ontario
- Québec
- Saskatchewan
- Yukon

All contributors invested much time and effort to guide the project and to develop the case studies. As the project facilitator, British Columbia would like to thank all participating jurisdictions for their work on this project. In particular, Manitoba, Newfoundland and Labrador, the Northwest Territories, and Saskatchewan, need to be commended for their considerable effort in helping to develop this final report and bring this project to a conclusion. They were supported in their efforts by other jurisdictions which helped develop the case studies that form the integral element of this research effort. As well, special thanks are extended to the staff of the Intergovernmental Committee on Urban and Regional Research (ICURR) for the tremendous efforts they devoted to this project. Celia McLean must also be thanked for efforts in pulling together the different texts and helping the project committee come up with a readable and coherent paper.

For a complete list of the project contributors, please see Appendix 1: List of Contributors.

Introduction

Canada is a country rich in natural resources, traditionally creating wealth from an economy based on many resource-related activities like mining, forestry, fishing, energy, agriculture and transportation for its economic vitality. As one of the largest countries in the world, Canada's huge geographic expanse means not only that the country has a great abundance of these resources but also that they are dispersed in rural and remote locations across the country. Because resource industries require on-site labour for extracting and processing natural resources, small communities grow up nearby or around an industry and depend almost exclusively on these resource industries for their economic and social survival. This leaves them vulnerable to the fortunes of the industry and to economic factors beyond their control, including:

- resource exhaustion (i.e. loss of cod and salmon stocks or mineral or forest depletion);
- economic restructuring within an industry (i.e. railway closures, military base closures);
- shifts in world markets, (i.e. the drop in copper prices and in wheat prices, or the reduced demand for uranium); and
- government policy decisions (i.e. Canadian east coast fisheries closure, US/Canada softwood lumber disputes).

This report recognizes the uniqueness of individual communities and that there are many ways to define community. Within this report, the term 'community' is used to mean rural and small town places located across Canada.

While these factors influence all communities in Canada, rural communities – especially remote, rural communities – feel the impacts most severely. Dominated as they are by a single industry, these small communities cannot easily absorb the blows to their economy, tax base and social structure when their main source of jobs and income shuts down. Among many impacts, industry closures cause:

- irreversible, direct job loss and the resulting loss of indirect industry and service sector employment;
- rapid population decline that creates further losses in employment and significant cuts in public services;
- decline of residential, industrial and commercial property values, eroding the local tax base and further leading to a reduction in local services; and
- a sense of helplessness and a loss of hope in the community's future.

These are significant challenges that cannot be underestimated.

Industry closures are nothing new. In fact, because most natural resources can be exhausted, resource industry closures could be considered an inevitable fact of life. However, most modern, remote communities, their citizens, their leaders, and representatives at all levels of government hope these communities will survive and thrive well beyond an industry closure. They believe that something can be done to save jobs and support newly unemployed workers and their families. They want continuing high levels of service delivery and stabilized municipal budgets. They hope that a way can be found to make the transition from a past that depends on a single, large employer to a future based on a new economy. The shift

from company town to municipal government, unionization, precedents of government intervention in industrial and economic crises, the provision of greater social supports from government, rising service expectations, and new technologies are just a few of the many factors that have raised expectations for community transition and recovery.

Despite these expectations, the transition of remote, resource-dependent communities from crisis to recovery is as varied as the communities themselves. Many rural communities have overcome significant challenges to adapt successfully to new economic circumstances by developing alternative ways of supporting themselves. Some now face new challenges related to managing sudden growth and economic expansion. Many communities continue to face hardship even after significant efforts to overcome challenges. In extreme cases, some simply do not survive.

Purpose of the Report

The varied experiences of communities making the transition from the crisis of industry closure to recovery led the provincial and territorial ministers responsible for local government in Canada to seek more information about this nation-wide issue. At the Victoria meeting in the summer of 2002, the ministers directed senior policy officials to study resource-dependent communities in Canada that had experienced permanent economic decline.

The ministers intended that this research would provide valuable insights on the context, circumstances and actions influencing the recovery – or lack of it – of small, rural, resource-dependent communities across the country. They also sought information that would provide a better understanding of the tools and strategies of the transition management process that could bring communities from crisis to recovery.

Grounded in an analysis of rural trends, a broad literature review, and an analysis of 16 case studies of resource-dependent communities, this report presents the final summary of research conducted under the auspices of the Project. It moved beyond a regional economic development perspective to take a broader approach that focuses on the experience and role of all actors in coping with and managing transition to redevelop their communities. This report will:

- review lessons learned from literature studying resource-dependent communities;
- provide a context of economic and policy trends relating to resource-related industries and remote communities across Canada;
- illustrate through 16 case studies how resource-dependent communities have coped with permanent industry closure;
- identify key factors influencing transition and recovery;
- analyze the roles played by the federal, provincial, territorial, and local governments, the departing industry and community organizations in transition management;
- identify transition management best practices for each actor participating in transition and recovery;
- identify actions provincial and territorial governments can take to support best practices for transition management; and
- draw conclusions applicable to resource-based communities undergoing transition across Canada.

Methodology

The Resiliency and Recovery Project began in January 2003, after the ministers charged their policy advisors to collect and analyze the appropriate information. British Columbia facilitated the project, with the assistance of the Intergovernmental Committee on Urban and Regional Research (ICURR), and the collaboration of ten other jurisdictions.

A Project Steering Committee comprised of representatives from the departments responsible for local government in British Columbia, Manitoba, Newfoundland and Labrador, the Northwest Territories, and Saskatchewan, as well as ICURR, guided the process throughout. A Working Group of policy analysts and other researchers carried out research and analysis. The project had several facets including:

- an analysis of economic, demographic and social trends influencing resource-dependent communities;
- a literature review conducted to sample materials available in Canada, the United States and other countries concerning the transition of resource-dependent communities after industry closure;
- the development of 16 case studies of communities chosen to reflect Canada's regional, geographic, demographic and resource-based diversity and to provide stories that summarize their experiences; and
- an analysis of the 16 case studies to determine the roles played by major actors and to develop a summary of best practices.

In consultation with all provinces and territories, the Steering Committee chose 16 case studies to document the transition challenge facing these communities and the response of local governments (in particular) along with other actors. In deciding on the final list of case studies for the research project, the Resiliency and Recovery Project Steering Committee ensured a reasonable mix of communities in terms of:

- size (population);
- geographic distribution (all regions of the country represented);
- main industry (mining, energy, fisheries, forestry, agriculture and railway);
- current and historic examples; and
- communities with varying degrees of transition management success.

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The 16 case studies were chosen to represent small resource-dependent communities in Western, Central, Northern and Atlantic Canada. Each of these communities depended on a single industry in the agriculture, mining, fishing, forestry, energy or transportation sectors. They included:

Atlantic Canada	**Central Canada**
Bishop's Falls, Newfoundland and Labrador *(railway transportation)* Canso, Nova Scotia *(fishing and fish processing)* Great Harbour Deep, Newfoundland and Labrador *(fishing)*	Elliott Lake, Ontario *(uranium mining)* Murdochville, Québec *(copper mining and smelter)* Pinawa, Manitoba *(nuclear research centre)*
Western Canada	**Northern Canada**
Grande Cache, Alberta *(coal mining)* Granisle, British Columbia *(copper mining)* Logan Lake, British Columbia *(copper mining)* Meadow Lake, Saskatchewan *(forestry and sawmill)* Ogema, Saskatchewan *(agriculture and railway transportation)* Tahsis, British Columbia *(forestry and sawmill)* Tumbler Ridge, British Columbia *(coal mining)*	Faro, Yukon *(lead-zinc mining)* Inuvik, Northwest Territories *(energy, oil and gas)* Uranium City, Saskatchewan *(uranium mining)*

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British Columbia took the lead in surveying a sample of available literature with support from others, while ICURR used its information resources to analyze trends relevant to resource-dependent communities. Individual researchers from the provinces and territories developed and analyzed the case studies. Researchers focussed on the role of local government, senior levels of government and other actors in the transition and recovery process. Once the case studies were completed, they were analyzed collectively to determine patterns in terms of the role of the actors and other factors in contributing to successful recovery.

At their annual meeting in Prince Edward Island in the fall 2003, provincial and territorial ministers received an update on the committee's progress and had an opportunity to provide comments. The publication of this report completes the Resiliency and Recovery Project.

Trends Affecting Resource-Dependent Communities

Within the last decade, it has become clear that a fundamental shift of sustained population decline is underway in rural Canada, especially in regions of the country where communities rely on single resource industries. In particular, demographic changes, economic trends and policy decisions have had a significant impact on resource-dependent communities.

Population Trends: Rural and Urban Canada

Statistics Canada (Statistics Canada, Census, 1996, 2001) defines Rural and Small Town (RST) as the population living outside Census Metropolitan Areas (CMAs – urban core 100,000 or over and 50% or more of the labour force commutes to the urban core) and Census Agglomerations (CAs – urban core of 10,000 to 99,999 and 50% of the labour force commutes to the urban core). RST includes all municipalities with urban populations of 1,000 to 9,999, and rural areas where less than 50% of the employed individuals commute to the urban core of a CMA/CA.

Canada's overall population rose by 4% between 1996 and 2001 although the population declined in Newfoundland and Labrador, Yukon and the Northwest Territories. However, this overall increase masks two very different realities: while urban Canada grew by 6.4%, rural and small town areas saw their population decrease by 4.7%. Except in Manitoba and Alberta, the population losses were highest in rural and small town areas.

Migration: Detrimental to Rural Canada

Rural regions have been losing population due to net migration since 1981, except for rural areas adjacent to cities. In particular, migration has caused strong population declines, or reduced the population growth rate in all of Saskatchewan and western Manitoba, in the Prairie north, part of northern Ontario, northern Québec and the lower St. Lawrence, northern New Brunswick, the ends of Prince Edward Island and Nova Scotia, including Cape Breton Island.

Between 1996 and 2001, the population of rural areas located close to urban centres (and where more than 30% of residents commuted to the urban centres to work) increased by 3.7%, mainly as a result of people moving just beyond urban boundaries to live in a more rural setting.

The migration of young people from rural and small town areas to urban areas has created an overall age increase in these rural and small town areas. In 2001, the median age of the rural and small town population was higher that in census metropolitan areas, 39.0 years compared to 37.0 years.

Migration studies (Statistics Canada, Migration, 2002) also indicate that the rural out-migration of youth is linked to the pursuit of educational opportunities. The data indicates individuals with a higher level of education are more mobile. Youth out-migration from rural and small towns is generally permanent because youth tend not to return home to communities that cannot offer the same level of attractive job opportunities and amenities as urban areas. As a result, these communities lose some of their potential economic strengths and social capacities. On the positive side, in periods of net in-migration to rural and small towns in Canada, all groups of educational attainment saw an increase; in these periods, rural and

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small towns have been successful in attracting individuals with higher educational attainments. However, the data does not distinguish between rural and small towns adjacent to metropolitan areas, and remote rural and small towns.

According to Polèse and Shearmur (2002, p.5), 'peripheral' areas are located more than one hour's drive from a major metropolitan area (population of 500,000 or over) and excluding urban areas of 150,000. These 'peripheral' areas grew more slowly than central and large metropolitan areas, thus accounting for an ever-decreasing share of Canada's population. Within these regions, peripheral rural areas have shown the greatest decline in their share of Canadian population due to a significantly slower growth rate.

According to Polèse and Shearmur (2002, p. xxii):

> Many peripheral communities will enter a phase of sustained population decline; this is a break with the past. This is not simply the result of industrial location trends. New developments are impacting peripheral communities: growing constraints on (natural) resource exploitation and the effects of the demographic transition. Most peripheral regions have historically been areas of net out-migration. Until recently, the effects of out-migration on population were hidden because of the countervailing effects of births. This is no longer the case. Low birth rates mean that net out-migration will now automatically trigger population decline. Migration has become a critical variable.

Although rural communities are experiencing net out-migration, in-migration of new residents for employment is also an important community change dynamic (Halseth, 1999). While in-migration is welcome, it usually does not overcome out-migration in most rural communities. In-migration restructures communities but, because of employment uncertainty and industry instability, many of these new resident workers and their families are transients who have little local attachment. Because new residents may not stay long in the community, they often demonstrate little commitment to supporting community development and recovery. Newly relocated residents who do try to contribute may be relatively inexperienced in community development or may lack the community background required to deal with the range of community planning, participation or management functions community transition requires. In effect, migration patterns may limit a community's capacity to move toward recovery, not only through the net population decline but because new residents may not have the commitment or experience to manage community change.

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Economic Changes in Key Resource Sectors

Canadian Primary Resource Sector

In 1981, the primary resource sector accounted for 7.1% of the Canadian Gross Domestic Product (GDP) (Statistics Canada, Gross Domestic Product). Reaching a peak of 7.3% in 1984, the primary sector has declined steadily and accounted for only 5.8% of GDP in 2002. Agriculture, forestry, fishing and hunting have declined most rapidly: from 3.2% in 1981, to 2.0% in 2002. Mining, oil and gas exploration have been more stable, peaking at 4.3% in 1984 and 1985 but declining to 3.7%, in 2002.

The primary sector represented roughly 60% of total Canadian commodity exports in 1981 (Statistics Canada, Merchandise), but has accounted for between 30 and 40% of Canadian commodity exports since 1993.

In constant dollars, agriculture, forestry, fishing and hunting, grew at a relatively slow pace up until 1997. The pace accelerated in 1998 and 1999, but has been declining since: the 2002 value was only 12.1% higher than 1981. Mining, oil and gas exploration, on the other hand, have grown almost continuously since 1981: the 2002 value was almost 70% higher than in 1981.

Crop and animal production increased from 1987 until 1999, when a sharp decline began. Forestry and logging declined rapidly from 1987 to 1991, and growth since has not been enough to compensate for losses. In 2002, forestry and logging accounted for less than 98% of 1981 values. Consequently, support activities for agriculture and forestry have remained stagnant. Fishing, hunting and trapping have also declined. Many ground fish stocks have been subject to moratoria and reduced quotas, since the early 1990's, leading to a significant decline in this sector.

In the mining sector, coal mining has grown only very slightly since 1986, while metal ore mining, after a peak in 1991, has declined since so that in 2002, it barely exceeded the 1986 level. On the other hand, non-metallic mining and quarrying has increased steadily since 1993.

Oil and gas exploration has been the major growth sector and, as a result, has had a positive impact on the growth of support activities during the 1986-2002 period.

Employment in the Primary Resource Sector

Between 1987 and 1999, employment in agriculture, mining, and fishing (Statistics Canada, Number of employees) declined across Canada. Forestry employment grew until 1995, but has declined since.

The decline in primary resource sector employment has occurred in all Canadian regions, with Québec, Ontario and the Maritimes showing the highest rates of loss.

In British Columbia, all sectors except forestry decreased, with the most important losses being in mining, followed by agriculture and fishing. In the Prairies, the decline was almost entirely due to agriculture, and the increase in mining, oil and gas was insufficient to compensate for these losses. In Ontario, the mining sector had the largest share of losses while in Québec the greatest employment losses were agriculture followed far behind by the mining sector. In the Maritimes, both agriculture and fishing have shown significant losses during the 1987 to 1999 period.

Rural and Small Town Employment

Canada's many economic changes have had an impact on rural and small towns across the country. While employment in the primary resource sector has declined since 1987 (Statistics Canada, Agriculture Division, 2001), there has been significant growth in the other employment sectors. Thus, rural and small towns are showing signs of diversification, a positive outcome since diversified communities are said to be more resilient to economic shocks: while in 1987, the primary resource sector accounted for a little over 19% of total employment, in 1999 the share had dropped to 15.4%.

From 1995 to 1999, primary sector employment in rural and small towns decreased by a little over 16,000, while employment in other sectors grew by over 218,000. This trend is common to both rural and small towns, and urban areas. Although there has been some growth in the high-value-added sectors usually associated with the knowledge economy in rural and small towns, these sectors still lag far behind in terms of their share of the total employment in comparison to urban areas. In 1999, complex manufacturing (printing, petroleum and coal, chemical, non-metallic minerals, primary metal, fabricated metal products, machinery, computer and electronics, electrical equipment, and transportation equipment) and producer

services (finance and insurance, real estate, commercial and industrial machinery and equipment rental and leasing, leasers of non-financial intangible assets and management of companies and enterprises, professional, scientific and technical services, administrative and support, waste management, and remediation services) (Statistics Canada, Agriculture Division, 2001), accounted for only 6.3% and 8.1% of total employment in rural and small towns while these same sectors accounted for 9.3% and 17% in urban areas.

A study using a different definition of rural areas and an index based on employment shares (Statistics Canada, Agriculture Division, 2002) concluded that the number of diversified rural communities increased between 1986 and 1996. The report also showed that smaller communities, with populations of less than 500 or between 500 and 2,500, still have the least diversified economies, though they have shown signs of diversification. The study also underlines the gap in terms of the share represented by producer services in rural areas in comparison to urban areas.

Finally, some studies indicate that the knowledge-based economy and new information and communication technologies will have only a small impact on location patterns in relation to peripheral regions. Polèse and Shearmur (2002, p. 61) conclude that:

> The new knowledge economy and the introduction of new information technologies will not, in all likelihood, have a major impact on current spatial trends in employment and population. On the whole, the impact will be to accentuate or to reinforce existing trends.

They also point out that new information technologies have contributed positively to rural economies by narrowing the information gap between central and peripheral regions. They should improve access to health and education services for remote and less populated communities. However, data (Statistics Canada, Information, 2002) indicates that computer ownership and Internet connectivity remain lower in rural areas, a situation that should improve with the current initiatives by the federal, provincial and territorial governments.

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Health Trends

Small rural towns and northern towns outside metropolitan areas show significant differences in their health status, compared to similar sized towns within metropolitan areas. For example, they have higher shares of individuals who smoke, are overweight or have high blood pressure (Statistics Canada, Health, 2003). Northern towns have the highest overall percentage of individuals showing signs of depression and of individuals with unmet health needs. These towns also have the lowest percentage of individuals with excellent or very good functional health. A study (Statistics Canada, How Far, 1999) based on 1993 data showed that two-thirds of rural and small town Canadians lived within five km of a physician, and about seven percent lived more than 25 km from a physician. In northern communities, over two-thirds of the population lived more than 100 km from a physician.

Policy Decisions

Export Subsidies and Protectionist Measures

High American and European Union agricultural subsidies contribute to lower world prices for agriculture products, harming the Canadian agriculture sector. World wheat prices have fallen at a significant rate over several decades; roughly 25% of the decline since the mid-1990's has been linked to these subsidies. Protectionist measures, such as those introduced in the Farm Bill in the United States, also impede the growth of the Canadian agriculture sector.

The recent 'mad cow' crisis and the United States' subsequent embargo on all beef and cattle exports from Canada (accounting for over 84% of total Canadian beef and cattle exports) and embargos by other countries had a very negative impact on the Prairies. In 2002, Canada exported 1.7 million head of cattle worth $1.8 billion to the United States; following the border closing, these exports fell to nearly 506,000 head valued at only $591 million. In 2002, total cattle and beef exports represented $3.9 billion while from June 2003 to May 2004, the total value dropped to $1.4 billion. The United States' continued refusal to accept Canadian live beef has contributed to swollen herds and depressed prices. The size of the Canadian cattle herd jumped 6.5% to a record 16.8 million head as of July 1, 2004, a little over a year after the ban on Canadian cattle and beef, largely due to the collapse of the export markets (Statistics Canada, Livestock, 2004). The federal, provincial and territorial governments have introduced the BSE (Bovine Spongiform Encephalopathy) Recovery Program to help the domestic market, and provinces have also introduced additional programs tailored to their provincial situations.

Softwood Lumber Dispute

Nearly 1,000 sawmills in Canada employed more than 80,000 workers in 2001, the majority of them in British Columbia (43%), Québec (33%) and Ontario (9%). According to the Council of Forest Industries (Council of Forest Industries, 2004), 270 rural communities in British Columbia depend on forest activity for more than 20% of their total income; direct and indirect jobs provided by the lumber industry accounted for nearly 14% of British Columbia's total employment in 1999. In Québec, processing forest resources anchors the economies of more than 250 municipalities and provides 100% of the manufacturing jobs in 135 towns and villages.

Canada exported 82% of its total lumber exports to the United States in 2001, a heavy dependence that has made Canada vulnerable to trade disputes with the United States. The US/Canada Softwood Lumber Agreement expired on March 31, 2001 and the United States' Department of Commerce imposed countervailing and anti-dumping duties averaging more than 27% on Canadian softwood exports in May 2002. These measures have had visible effects on communities across the country. According to Statistics Canada (International Merchandise, 2004), exports of lumber products fell by 17.4% to $9.0 billion in 2003. Export levels have fluctuated since the anti-dumping and countervailing duties were imposed, depending on changes in market prices and corresponding changes in export volumes.

The Canadian government challenged the United States' determination of subsidy before the World Trade Organization (WTO) and under the North American Free Trade Agreement (NAFTA). On May 27, 2003, a WTO panel's interim decision supported Canada's claim that Canadian provincial stumpage programs are not subsidies. On August 13, 2003, a NAFTA trade dispute panel gave a mixed ruling that determined Canada subsidizes lumber but that the United States made errors calculating the levy rate. On April 26, 2004, the WTO Dispute Settlement Body adopted a WTO Panel report that found the United States International Trade Commission's (ITC) threat of injury determination to be inconsistent with WTO rule. On August 31, 2004, a NAFTA Panel report found that the threat of injury was inconsistent with American laws. On October 13, 2004, the American administration indicated its intention to file an Extraordinary Challenge Committee procedure.

This issue has been going on now for over two years and the impacts of these rulings and delays continue to play out, taking a heavy toll on forestry-dependent communities. To reduce the problems encountered by communities, the federal government created the national Softwood Industry Community Economic Adjustment Initiative (SICEAI) to help forest-dependent communities create opportunities for economic development in order to stimulate investment and job creation.

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Troubled Fisheries

Fishing is the mainstay of economic life in nearly 1,500 coastal communities in Canada, where declining fishing stocks and government restrictions have taken a heavy toll.

In July 1992, the federal government imposed a moratorium on cod fishing in the Northern cod zone of the North Atlantic. In 1990, 395,266 tonnes of cod were fished and valued at $242.9 million. When the moratorium was imposed, cod fishing fell to 187,804 tonnes valued at $153.3 million. By 2003, cod fishing accounted for only 22,601 tonnes, at a value of $32.9 million. Furthermore, fisheries have been closed to the Inner Bay of Fundy Atlantic salmon since 1990 (Department of Fisheries and Oceans Canada, 1990-2003).

The Department of Fisheries and Oceans (DFO) estimated that over 25,000 people would be affected and that 19,000 would require income assistance. The federal government established the Atlantic Fisheries Adjustment Program, a $221.8 million program to provide immediate income relief and to prepare for a much reduced fishery. Because the DFO had never considered the potential effects of a stock decline of this magnitude, the Report of the Auditor General in 1993 (Ward, 1993) found that this rushed program had a compromised design that led to many mis-applications of the assistance program. These moratoria have led to a significant decrease in employment in the Maritimes and the future of many communities has been jeopardized. According to Statistics Canada, declining employment in the fishery was likely one of the factors behind the significant emigration from the Atlantic Provinces.

In April 2003, the Government of Canada announced the additional closure of three cod stocks in the Gulf of St. Lawrence and northeast of Newfoundland and Labrador because these stocks were determined to be at an historical low and showed no signs of imminent recovery. It announced a $50 million action plan to assist individuals and communities affected by the closure and to expand scientific research into the decline of these stocks. In May 2004, a limited cod fishery for the 2004-05 fishing season was reopened in the northern and southern Gulf of St. Lawrence, with a quota set at 3,500 tonnes in the northern Gulf, and 3,000 tonnes in the southern Gulf.

On the Pacific Coast, the story is similar. In 1990, 96,396 tonnes of salmon were taken from the sea at a market value of $263 million. By 2003, the catch had been reduced by almost two-thirds to 38,424 tonnes at a value of $48 million (Department of Fisheries and Oceans, 1990-2003). When a marked decline in salmon stocks began in 1995, actions were taken to focus on a sustainable use and better management: the size of the commercial fishing fleet was reduced by 50%, harvest was restricted, and measures to protect and rebuild the salmon habitat were implemented. In 2004, a performance review of the salmon fishery relative to the objectives was carried out in order to address factors that led to poor spawning returns on the Fraser River. This review will have an impact on the fishing plans for 2005 and beyond. The shift in the world seafood market caused prices for some species to decline substantially, which also had an impact on the fishing industry in the Pacific Coast. As a result, overall employment in the fishing industries in British Columbia has fallen considerably in the last two decades.

Mining

Minerals are the mainstay of economic life in 128 Canadian communities, usually in remote areas of the country. Canada is a major player in world minerals and metals markets: in 1998 Canada placed first for the production of potash and uranium, second for nickel, zinc and cadmium, third for aluminium, platinum-group metals and titanium concentrates, and fourth in copper, gold, molybdenum and salt. Canada is also the world's third-largest producer of natural gas and the tenth-largest producer of petroleum (3.5% of the world market).

Because of Canada's economic reliance on mining and minerals, it is vulnerable to world price fluctuations that directly impact communities that depend on the mining sector.

The uranium industry is a good example of how the combination of world price fluctuations and government policy has had a significant impact. In 1943, the federal government established a Crown corporation to oversee Canadian uranium interests, in accordance with a decision by Canada, the United Kingdom and the United States to ban all private exploration for, and development of, radioactive materials. In 1948, the Canadian government agreed to purchase all uranium through the Crown corporation (Eldorado Mining and Refining Limited), and lifted the ban on private exploration. In 1958, the United States, a major client, did not renew their contract to purchase Canadian uranium, and mines closed in the following years, also in part due to the depletion of the ore body. With the crude oil prices crisis in 1973, nuclear power became appealing once more. In 1974, the US again allowed Canadian uranium to enter the American market; exploration for new deposits followed and new mines were opened. By 1990, the price of uranium on world markets was at a new low, increasing competition and reducing revenues.

On the policy side, Atomic Energy of Canada Ltd. (AECL), a Crown corporation, was established in 1951 to conduct research and development into peaceful uses of nuclear technology and to sell, supply and service CANDU nuclear reactors. In 1959, it established a nuclear development centre, the Whiteshell Laboratories, in Pinawa, Manitoba. In 1995, the Canadian government's Program Review process, a deficit-cutting measure, reduced AECL's annual research and development government funding to a point at which AECL could no longer afford to operate these laboratories. In 1998, AECL announced it would terminate its nuclear research activities at the Whiteshell Laboratories by December 2001.

Summary Observations from Trends Review

Demography, in particular migration patterns, depleted resources, changing world market conditions and evolving government policies, have left their mark on rural and small town communities across Canada. It is in this difficult context that many resource-dependent communities must face an even greater challenge, that of industry closure.

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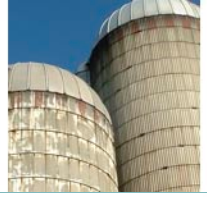

Literature Review

Introduction

Many have written about the experiences of resource-based, single-industry communities that have struggled through a transition to recovery when the industry closed down. Researchers reviewed a rich sample of more than 50 books, academic journals, conference reports, government reports, newspaper clippings and websites mostly from Canada and the United States to capture some of this knowledge to put Canadian case studies into context.

This research effort examined how rural North American communities have managed their transition at the local level from the crisis of industry closure through to a sustainable recovery. The review looks at how these communities have tried to adapt to changing economic circumstances and develop economic alternatives to support themselves. Literature from the 1960's and 1970's tended to focus on issues related to growth, workforce stability, and building complete, fully serviced communities. More recent literature emphasizes how communities cope with job loss and adjustment. The discussion below is a general reflection on the key insights derived from the reviewed literature.

Background

Given global trends, shifts in population and other factors, industry closure continues to be an inevitable event faced by many single-industry communities – as in the past. But the response to closure has changed significantly.

Historically, rural, resource-based communities were usually company towns, like the small northern coastal community of Anyox, British Columbia. While Anyox's copper mine was productive, new residents flocked to it in search of lucrative jobs. The town expanded rapidly as the population grew and prospered as long as the mine thrived. When the mine closed permanently in 1935, 3,000 people left this fully serviced community to find a new future. Today, very little remains of the old town site to signal the former existence of a community that once boasted the most modern hospital north of Vancouver.

Communities like Anyox often fell into 'boom and bust' cycles where industries closed down and started up again on a temporary or seasonal basis. Some industries, particularly those based on non-renewable resources like mining, failed in a long, slow death. When the mine had given up its last nugget or when it was simply no longer sufficiently profitable, the company would shut down and move on. The town was abandoned; the workers and their families were left to fend for themselves. These cycles were considered normal and closures believed to be inevitable by workers and political and community leaders. Under a company town paradigm, no one expected the town to continue after company involvement ceased. A boom town could become a ghost town almost overnight leaving only abandoned buildings as witnesses to a town's existence.

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Lucas (1971, p. 104) describes company towns as "...those closed company communities owned and administered by the industrial employer". Today, the company town model has been replaced with independent rural municipalities. Many single-industry communities are municipally incorporated with elected councils, sources of revenue and the capacity to deliver local services. Since World War II, they have been comprehensively planned to, according to Halseth and Sullivan (2002, p. 19) "...incorporate a broader range of social and economic considerations into town development." The net result has been the creation of a greater sense of permanence in these places and the heightened expectation of workers, residents and leaders in finding a new future for their community when industry closes. No longer company towns, remote communities have much higher expectations of survival.

Modern industry has also changed. The dynamics of the global marketplace mean that most industries close only as a last resort, but these closures are permanent rather than temporary. Not only do these closures have lasting socio-economic impacts in small communities with lone major industries, they create a crisis that jeopardizes the viability of these communities.

Defining Community Transition and Recovery

The literature review focussed on community transitions or adjustments resulting from the permanent closure of the single industry and major employer in rural, resource-dependent communities. The literature demonstrated that these closures usually result in significant job losses and a reduction in the tax base when industry ceases to pay property taxes. With no jobs, local residents leave the town in search of jobs elsewhere, leading to further strains on the tax base and greater strains on the municipality's ability to support local infrastructure and services. Newspaper articles and studies on the impacts of economic closure show that transition can be devastating and difficult to manage locally. When these events occur, they often overwhelm the impacted community:

> The social and psychological costs of involuntary unemployment are severe. Some residents leave the community, often at social and economic loss to the individual and society. Those who remain in the community are faced with major problems of adjustment, not only to lowered incomes but also to lower levels of health, educational and other services and amenities. (Department of Regional Economic Expansion, 1977, p. 6)

Recovery

The Manitoba Community Adjustment Handbook defined recovery as a process:

> ...centred on the involvement of local people working together to find ways to adjust to a particular set of circumstances that will result in prolonged and profound changes to the community. Typically, various levels and types of government agencies play a role in helping the private sector, industry, workers and communities overcome the situation. (Province of Manitoba, 2001, p. 9)

Case study research by the University of Oregon (Conway, Corcoran and Tillson, 1996) showed that, while community transition is usually triggered by a single event of an industry closure, the transition from crisis to recovery is a three-stage process of endings, a neutral zone and new beginnings. This particular study focused on the psychological and emotional impacts of an industry closure:

Oregon Categorization	Timing	What the Community Experiences
Endings	Immediately after industry closure	• recognition of what's being lost; • acceptance, acknowledgement and grieving; • compensation; • defining what has ended and what is left.
Neutral Zone	One year after industry closure	• time to normalize, clarify, neutralize; • rebuild sense of identity and connectedness; • monitoring; • creativity.
New beginnings	New beginnings3-5 years later	• don't force change – timing has to be right; • create a long-term plan – with a role for everyone; • reinforce new beginning.

Both the *Manitoba Community Adjustment Handbook* and the University of Oregon study view the transition from crisis to recovery as a series of events taking place over time. The latter's division of the process into a continuum of stages was a helpful insight that guided the later development of the case studies of resource-based communities across Canada.

The case studies followed the University of Oregon's idea of breaking the transition process down into three stages to study the concrete actions taken by different levels of government and other actors. However, while Oregon begins its definition of the recovery process with the closure announcement, the case studies in this report analyze actions taken before the closure announcement, immediately after the announcement, and in the longer term.

In the immediate phase after a closure or other economic crisis event communities will generally need this time to grieve and realize what has been lost. After the community has come to grips with the crisis event, people can begin the more formal process of thinking about how to build a new future. In the final stage, communities move beyond the past and begin taking specific steps towards their desired future. Although some may cling to the past, the majority of citizens, and leaders, move on and celebrate early successes.

The literature identified a range of challenges that communities often face as they manage their transition to recovery, including:

- coping with the initial shock and going through the grieving process;
- dealing with the impacted workers and companies that are closing operations;
- finding ways to support and counsel other members of the community trying to cope with the loss;
- managing changes in service delivery that can result from a decreased local tax base and population decline;

- bringing the community together to develop a plan and vision for the future that includes the identification of new economic opportunities;
- retraining of the local labour force;
- implementing and revising the community plan as circumstances change; and
- working with other parties – senior governments for example – that also have an interest and ability to aid the community in the recovery process.

A full understanding of transition includes the recognition that for smaller rural communities, this event can be devastating and difficult to manage. While often triggered by a single event, adjustment can be a long, complicated process before the community is able to recover:

> Through a strategy involving a number of small initiatives instead of a single solution, community leaders can find ways to infuse a struggling economy with financial resources, technical assistance, and improved housing and social services. Such approaches nourish a gradual transformation from decline to growth. (Wells, 2002, p. 13)

In short, much of the literature reviewed emphasizes this point: that managing the transition from crisis to a recovery is a long, slow and complex process. These findings were confirmed by the case studies.

Factors that Impact a Community's Recovery

The reviewed literature identified many factors influencing the success of transition management and the ability of a community to recover to become sustainable once more. Many of these are outside the control of resource-dependent communities and local decision-makers, including: the existence of economic alternatives, remoteness from other communities and markets, population size, and environmental reclamation. Depending on the factor, their presence can enhance or limit the opportunities for a successful recovery.

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The literature indicated that geography often determines a community's future. Primarily, this dominant influence reveals itself through the natural resources available to support a community's economy. Just as geographic features created the right conditions needed to make the town's departing mine, lumber mill or fish plant viable for a time, so too geography determines whether other natural resources are available to replace the departing industry. If a mining town has no possibility of creating jobs in other resource industries like forestry, fishing or agriculture, it has few options for recovery. Communities located in scenic settings, in an appealing climate, or near recreational facilities like national or provincial parks have some options for promoting tourism or retirement living as a replacement for the departing industry. Those that are located in unappealing surroundings or so remotely located that access is too difficult have few options to develop their economic base.

Linked to geography, the literature revealed that road access and proximity to other communities can also be a significant factor. Communities that are relatively close to other settlements or larger towns – and are connected to these places by road – have more potential to re-create themselves. Remote communities accessible only by air or water, or communities accessible only seasonally, face significant challenges in sustaining their population, infrastructure, services and economic strength. Those communities that are linked to others by road have better direct access to markets for their products and have easier access to the services and infrastructure of nearby towns. They are also more likely to be able to develop their economy by becoming a bedroom community or a recreation destination for people living in larger cities close by. Improved or good road connections to larger centres create opportunities and incentives

for residents to remain in or move to small bedroom communities because they become attractive by combining lower housing costs and lifestyle amenities with access to higher levels of service and better access to employment, recreational and retail options. Road access also creates better opportunities for adjacent town councils to work together as a region. On the downside, small communities adjacent to larger urban centres risk losing their retail and service markets to the larger communities.

The literature showed that another important factor influencing the success of transition management is the new global economy and technological changes that are "...redefining the economy within which rural communities have functioned."(Stabler, 1996, p. 28) Even if a community is able to identify alternative resources for development, access to start-up capital and to markets, as well as competition from other producers, are all aspects of the new global economy that individual communities cannot control. The determining influence of geography can be reduced somewhat by new technologies – such as the Internet – that offer previously unavailable economic and service delivery options to small communities. The Internet creates the potential for knowledge-based industries to locate in rural areas because location no longer matters for industries that rely primarily on communications and the exchange of information. Because small communities are generally more affordable places to do business than urban centres, they may become more attractive to these knowledge-based industries. As well, because the Internet can overcome some barriers in service delivery, such as the online delivery of health information, it supports small communities as they strive to develop the infrastructure and amenities that will make them more attractive to industries and families as places to relocate. Residents can also use these technologies to upgrade skills and education to be better equipped to take new jobs or develop entrepreneurial businesses.

Despite these new advantages, the Internet cannot overcome every obstacle created by geography. Businesses that use the Internet to market physical products will still face the costs of shipping physical goods in and out of small communities. If they are located away from major highways, ports or airports, the costs and logistical issues around shipping may remain a prohibitive barrier to competition with similar businesses located in centres with more efficient transportation. As well, regions with low population densities have a more difficult time protecting or establishing transportation infrastructure for rail, air and water transport, worsening the problem of shipping goods and products from remote locations. The tendency remains for knowledge-based industries to locate in larger and medium-sized urban centres because these locations give employees greater access to amenities, a higher quality of life and educational and social opportunities. As well, these new technologies may not lead to local entrepreneurship and may encourage remote service delivery over local delivery, negatively impacting the local economy.

The reviewed literature considered demographics important. Both population size and the make-up of the population influence how well a community manages to recover from an industry closure. Small populations often have a strong sense of community and identity, leading to a determined resolve to survive an industry shut-down. On the other hand, these small communities may face challenges because they are not able to draw on the same talent pool as larger communities. The out-migration of youth and many of the most experienced workers and volunteers could mean that there are fewer potential community and civic leaders and a greater reliance on unskilled volunteers. Small communities may face difficulties keeping services like schools going because of the small numbers of children living there, making the community less attractive to families seeking these services. If the departing industry has relied on a transient workforce, these workers may not have developed an attachment to the community and might be less interested in supporting community efforts to recover. In these situations, greater pressure and responsibility falls on the shoulders of local officials who have to take on multiple roles.

According to the literature review, many communities cannot control whether or not the departing industry rehabilitates its industrial site through an environmental clean-up, although higher levels of government may take a role here. This issue is of concern particularly in mining communities where the industrial activities often leave behind unsightly pits, toxic wastes or other blemishes on the aesthetic appeal of

the region. If the departing company does not deal with this, communities left with the problem may find it difficult to encourage land redevelopment. Concerns may arise and persist about public health issues making it difficult for the community to retain and attract new residents: "Actual or suspected contamination can create a formidable barrier to community revitalization, particularly in small, rural towns with limited resources." (Wells, 2002, p. 23)

Another issue influencing recovery, according to the literature, is the state of local infrastructure and services. Research on American efforts in the 1990's to help Pacific Northwestern forestry communities recover from the negative affects of land use policy decisions, shows that smaller communities tended to lack basic infrastructure like housing and water and sewer services, making their transition much more costly. Between 1994 and 1997, U.S. federal agencies spent a combined $391 million on community infrastructure (Mullins & Nagada Consultants, 2001, p. 32).

In Canada, many forestry communities lack adequate roads and telecommunications infrastructure. Obviously, communities with up-to-date services will be better positioned than others to re-create themselves and require less assistance from senior levels of government.

The factors mentioned above do not represent an exhaustive list of conditions influencing a community's recovery. Instead, they underscore the fact that communities facing transition not only have to deal with the closure event itself, but can also be faced with factors beyond their control that could determine whether or not their transition management efforts are successful.

Role of Key Actors

Local Government

The literature review emphasized the role of local governments in responding to industry closure and mobilizing the community to manage through the recovery process. As one research paper pointed out, while local governments may not have all the tools needed to deal with transition, they are the level of government closest to and most immediately impacted by industry closure (Portz, 1990, p. 3). When an industry closes, the local government leaders' core functions include:

- providing the community with direction;
- keeping everyone in the community informed of changes underway;
- assembling a team of leaders; and
- facilitating an open process to develop response plans and strategies to support community adjustment

Leading a community through transition and into recovery is a difficult task requiring significant skill and energy:

> Today's leaders need advanced training in the establishment of objectives, communications, group dynamics, problem solving, and the assessment of achievement. They have to learn not only to operate successfully within their own community, but also to interact with other groups and individuals, ranging from consultants to provincial premiers. (Westarc Group, 1992, p. 7)

Senior Levels of Government

The literature reviewed suggested that senior governments (provincial, territorial and federal) are often in a position to provide some necessary support for a specified period of time. For example, senior levels of government play a critical role in protecting public services like health and education during the transition period. "People's choice of whether or not to live in a smaller community is affected by whether or not they can get reasonable access to health care". (Commission on the Future of Health Care in Canada, 2002, p. 159) This protection supports the maintenance of the local population base necessary to rebuilding a community.

The breadth and depth of involvement needed from senior government generally depends on the size of the transition challenge and relative capacity of the municipality to respond on its own. The flexibility and stability of senior government programs influences how easily communities can access the resources they need to cope with change.

The literature also supported the idea that the provincial, territorial and federal levels of government should work alongside communities and local leaders, rather than imposing arbitrary decisions from above without consultation or coordination. The literature revealed many examples of mixed transition management results when senior governments imposed solutions without consultation. Communities need to be involved both in decisions made about the resources that will be provided to them and in the design and management of these programs.

The literature highlighted the importance of collaboration between communities, within regions and between the different levels of government. Federal, provincial and territorial levels of government can support the transition process by better coordinating their own activities:

> ...governments should seek to improve inter-departmental and inter-sectoral coordination and communication to minimize duplication and confusion on roles and to reduce the bureaucracy and perceived government inefficiency. (Canadian Rural Partnership, 1998, p. 11)

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In the end, the literature concluded "...long term government support, especially if uncoordinated, is not the complete answer for any community." (Root, 1991, p. 164)

Departing Industry

The literature suggested that departing industry plays an important role in the transition management process, including providing advance notice of closure to allow a community time to prepare for the immediate and long-term impacts. Companies can also assist by dealing directly with the issues facing displaced workers by providing:

- job retraining and tuition assistance;
- severance payments;
- company benefits for a period of time;
- relocation assistance; and
- early retirement packages.

The review noted some examples where companies provided financial and capital resources directly to the community so that it could investigate and pursue economic opportunities.

Community Economic Development Actors and Others

The literature review identified many community organizations as playing a significant role in managing the transition of remote, resource-dependent communities facing an industry closure. Various groups, including Chambers of Commerce, Community Futures Development Corporations (known as "Société d'aide au développement des collectivités", in Québec), clubs, charities and churches can support a community during its transition to recovery. They are particularly helpful because they have an intimate understanding of the community and its needs, making them able to provide valuable advice. They are helpful in community economic development activities because they can tap into the potential of hidden human resources and coordinate them so they can achieve community goals. They can also be useful in providing social supports, like food banks and job training, to lessen the emotional and economic impacts of an industry closure. They can play a key role in maintaining the community's sense of hope, unity and opportunity.

Timing

The University of Oregon study (Conway, Corcoran and Tillson, 1996) was helpful in identifying the practical reality that most transition management processes begin with the closure announcement and then spools out in stages after that. However, the literature demonstrated that managing transition in a reactionary, after-the-fact way is inadequate. The first stage of transition management should begin long before the closure announcement is made, not just in response to it.

First of all, the literature suggested that recovery is easier if the shock of an industry closure is reduced. To lessen this shock, the community must treat early warning signals of industry closure seriously. These signals include poor financial indicators showing the company is in trouble, signs that the resource is nearing depletion and shifts in the global marketplace.

In today's information age there are many ways in which communities can monitor the trigger factors that could bring about closure. By anticipating closure in advance, communities can start the change process early before the crisis occurs.

> Communities which have experienced the sudden shock of plant closings frequently have had to respond after the closing and take action to confront the problem at that stage. Obviously, the better strategy would be to have some community structure in place to begin delivering services after the closing. (Langerman, Byerly & Root, 1982, p. 62)
>
> Long before the crisis period of actual or threatened lay-offs, communities need to be actively involved in monitoring their employment and resource conditions, reporting to their communities, and anticipating potential problems. (Leadbeater, 1998, p. 44)

Industry, too, has an important role here. Before any actual downsizing or closure decision, industry should give the local community some advance notice of when the economic shock will occur.

Whether notice is given or not, all actors in resource-dependent communities need to prepare for an industry closure before it happens. Community and government leaders need to make plans to make communities ready for change before it happens. For example, local governments should maintain a high level of infrastructure and core local services such as roads, water and sewers. They might also initiate an active economic development program that engages residents and business in a discussion about the future and seeks out advice from experts on how to develop and implement a plan. Senior levels of government can encourage communities to plan for the future, collaborate with neighbouring communities, work on regional issues and build a strong relationship with industry.

Summary Observations from Literature Review

The literature review provided the research foundation needed to develop the community case studies used in this report. In particular, the literature review was helpful in characterizing the severe impact an industry closure can have on remote, single industry communities and the depth of the crisis experienced. It also helped researchers acknowledge that many factors influencing recovery, such as geography, are beyond control. At the same time, the literature review provided the loose outline of the roles of various community actors, such as local and senior levels of government, in the transition management process. One of the most useful findings resulting from the literature review has been the idea that, while an industry closure might be a single event, transition is a complicated series of events that occur over time and in phases or stages.

The literature review also influenced researchers to analyze the case studies according to actor in an attempt to identify best practices that contributed to effective transition management. The recognition that transition occurs in stages – and that the pre-announcement phase was critical – led researchers to examine the actions of various actors during each of the pre-announcement, crisis and post-crisis stages to put together a picture of what actions are best done at what phase of the transition management process.

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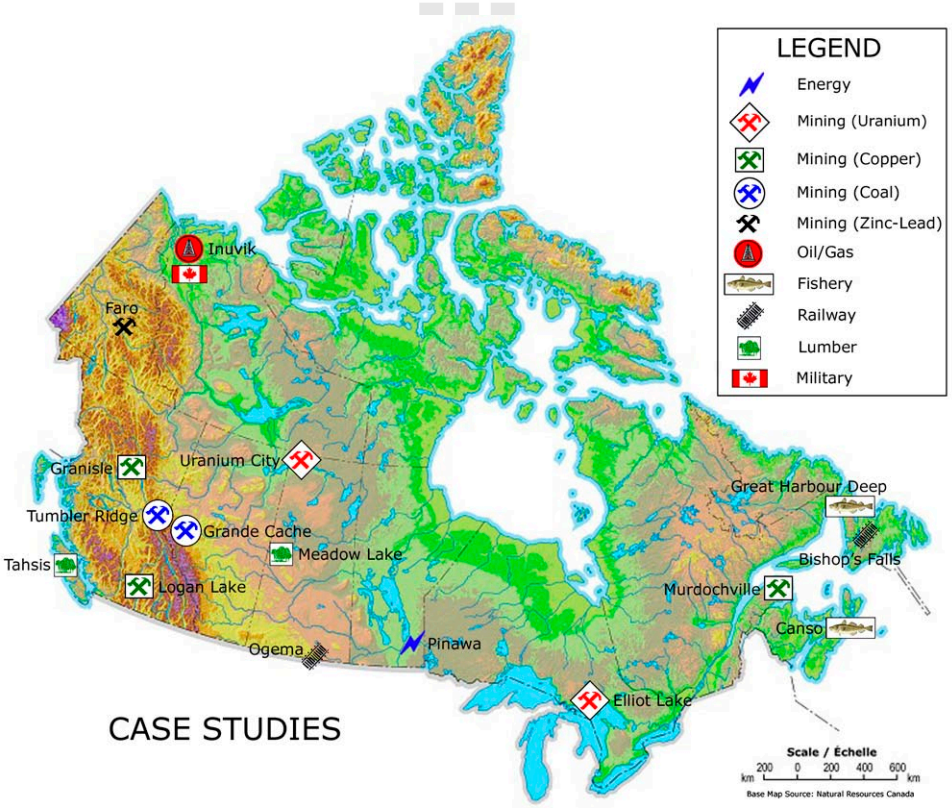
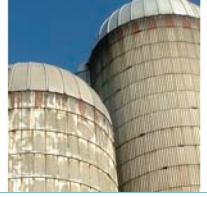
Case Studies

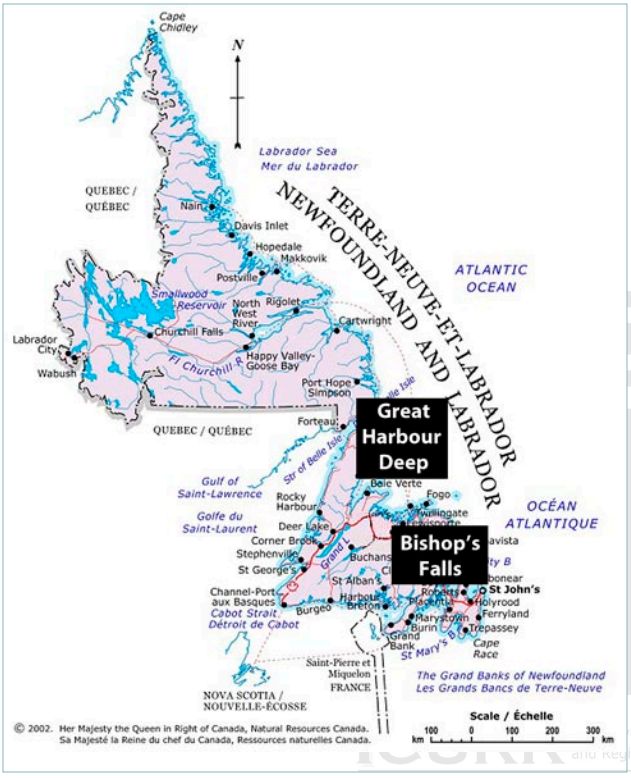
The research project developed 16 case studies to investigate the transition experience of rural and resource-dependent communities across Canada. The selected case studies represent communities across all five regions of the country in a range of populations and with a cross-section of resource industries: mining, energy, forestry, fisheries, agriculture and railway. The case studies documented the story of how each community faced its transition challenge by focussing on the roles played by the local government and community, senior levels of government, and other actors. Local context and other factors that may have contributed to or impeded each community's success were also identified. In some case studies, the community's story is historic; in others, the story is still unfolding. Some communities succeeded in making the transition, some failed and some are still going through the process.

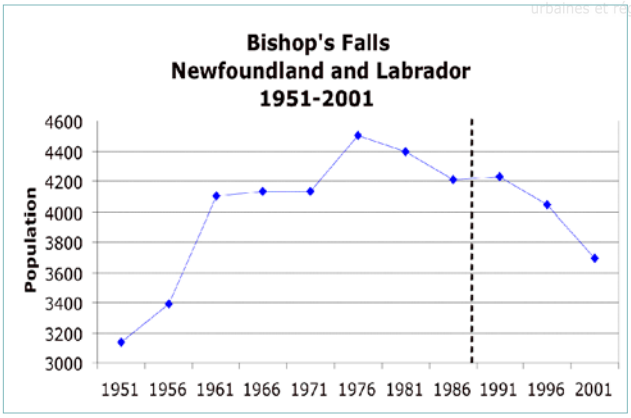
The case studies represent a snapshot accurate only up to August 2003. Subsequent events within some of these communities, new government policies, or new economic realities may have changed since these case studies were written.





BISHOP'S FALLS, NEWFOUNDLAND AND LABRADOR





Halfway between St. John's and Cornerbrook, accessible by road and linked to ports, Bishop's Falls served as the head office of the provincially-run Newfoundland Railway and as the major railway service centre in central Newfoundland. Jobs declined after the province ended passenger service in 1969. The town's crisis came when the province ended all rail service in 1988 by accepting the federal government's $800 million "roads for rails" deal. The town lost its historic identity and its remaining railway jobs, and the population of 4,300 began to fall.

TRANSITION

While the "roads for rails" program ended the railway industry in Bishop's Falls, it also provided a $7 million economic diversification fund that the town used to create the Bishop's Falls Development Corporation (BFDC). The BFDC attracted light manufacturing businesses by promoting the town's skilled workforce, its strategic central location and its access to shipping. Using its funds for loans and investments to support economic diversification, the BDFC became a catalyst for the town's renewal, creating scores of new businesses and jobs. In addition, municipal tax incentives in the 1990's gave new businesses property tax relief for up to 10 years in exchange for job creation. The town gave existing businesses support through workshops and trade shows and by obtaining control of an industrial park from the province. The town plans to promote tourism by building a Heritage Centre focused on its railway history and developing its sport fishing capacity.

The provincial Economic Diversification and Growth Enterprises Program (EDGE) also provided Bishop's Falls with incentives for economic diversification. These incentives include 100% rebates on provincial corporate income taxes and 50% rebates on federal taxes for up to 15 years and access to un-serviced lands for $1.

Bishop's Falls stabilized and recovered with a population of 3,800. It has become a light-manufacturing centre with new jobs exceeding those lost with the railway.

Bishop's Falls, Newfoundland and Labrador
Source: Town of Bishop's Falls

UNIQUENESS

Bishop's Falls owes its recovery to early, ready access to economic diversification funds, aggressive taxation incentives, and immediate access to skilled workers. Because roads replaced rail lines, Bishop's Falls did not lose the advantages of its central location and port links, allowing it to attract light manufacturing industry. As well, abundant hydro power and growing regional demands for services contributed to diversification.

CHALLENGES

The BDFC was bogged down in bureaucracy until 1992 because all projects had to be approved by Employment and Immigration Canada (EIC). When the BFDC gained autonomy, economic diversification results improved dramatically.

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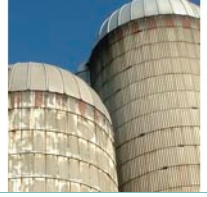
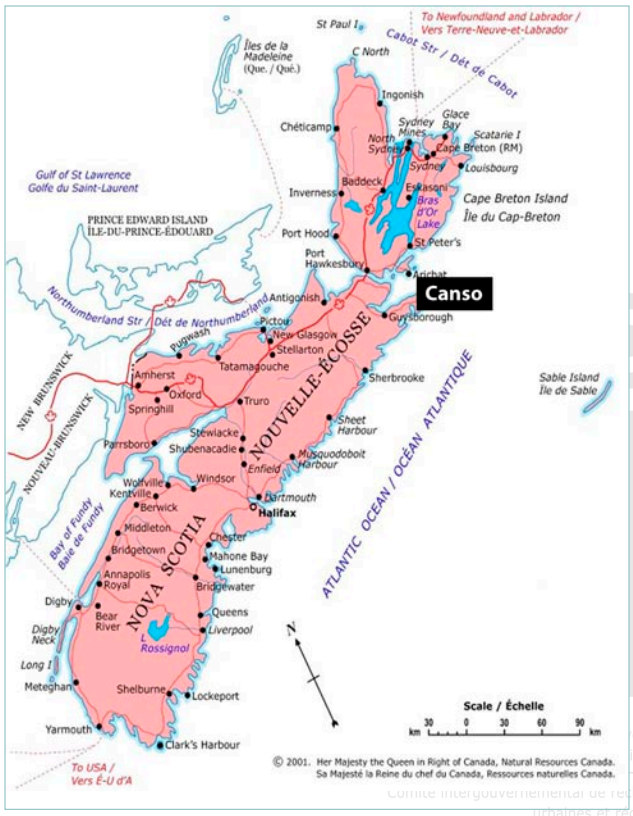
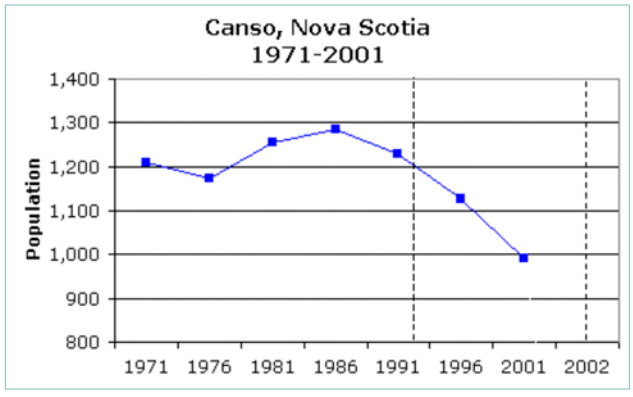


CANSO, NOVA SCOTIA





Founded by Basque fishermen in 1604 and incorporated in 1901, Canso is a small fishing community on the eastern coast of Nova Scotia, approximately 320 km northeast of Halifax. It is remotely located at the end of a secondary road, about 110 km from the nearest large town, Port Hawkesbury. Canso is situated within the rural Municipality of the District of Guysborough but is administratively independent. The collapse of the once lucrative Atlantic ground fish fishery in the 1990's shocked Canso and caused great economic hardship. Unemployment rose from 18.8% in 1990 to 31.7% in 2001; in the same time period, the population declined from 1,228 to 992. Adding to regional difficulties, Canso's Seafreez Foods fish processing plant closed in September of 2002, leaving the future of over 200 plant workers in jeopardy. The majority of these employees did not qualify for employment insurance (EI) and the benefits of many others ran out in Spring 2003.

TRANSITION

Team Guysborough is a multi-departmental, federal/provincial committee, struck in 1995 to concentrate resources of government on achieving long-term economic stability and growth in Guysborough County. With the Seafreez closure, the Team focused its efforts on Canso, creating 55 short-term jobs needed for people without EI benefits. The Town of Canso and the District of Guysborough assisted this effort by creating a number of these jobs. The Team, through its Community Facilitator, brought stakeholders together and assisted in efforts to re-open the Seafreez plant in May 2003 to process shrimp and crab. The Team has developed many training initiatives that have enabled area residents to be employable care giving, offshore oil and gas, commercial shipping, forestry and e-commerce jobs. Canso, with the assistance of Team Guysborough has created an Enterprise Centre that will house a call centre employing 50 people. It is also working with Team Guysborough to put

together a strategic plan to promote tourism by developing the waterfront and scenic Durrell's Island, as well as celebrating Canso's 400th anniversary in 2004. In addition, efforts are being made to establish an aquaculture park on 30 acres of the Town's industrial park.

Canso, Nova Scotia
Source: Town of Canso

UNIQUENESS

As one of Canada's oldest communities, Canso is able to draw on its 400-year-old maritime heritage, historic involvement in the transatlantic telegraph and coastal beauty to expand its existing tourism assets. Compared to other towns in Nova Scotia, commercial property tax rates that are among the lowest, a new Enterprise Centre, an industrial park and a helipad could combine to attract businesses to the area. The town of Canso owns its electrical and water utilities and is working with the private sector to explore the possibility of setting up wind turbines to increase energy sources while creating jobs and expanding the property tax base. The strong tradition of teamwork between communities and local leaders in the Guysborough area continue to play a positive role in Canso's revitalization.

CHALLENGES

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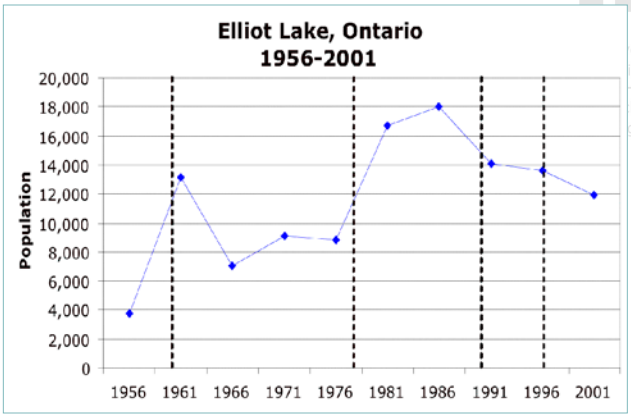
Canso has less than $1 million in its annual budget, making it difficult to lead economic diversification without funds from other levels of government. Large projects, such as the $4-5 million water treatment plant the town requires cannot be funded on the town's small tax base. To achieve long-term economic stability, residents must overcome negative attitudes about the town's possibilities for recovery and continue to work together on both fishery related matters and diversification projects.

ELLIOT LAKE, ONTARIO



Located 20 minutes north of the Trans Canada Highway and halfway between Sudbury and Sault Ste. Marie, Elliot Lake became prosperous in the 1950's due to rich uranium deposits.

To meet the demand for mining jobs, the population grew to 24,887 by 1959. However, when the United States decided in 1966 to meet its demand domestically, Elliot Lake nearly collapsed and the population dropped to 6,664. A five-year federal stabilization plan that stockpiled uranium for Candu reactors coupled with Ontario Hydro's new interest in inexpensive energy sources promised recovery during the 1970's. These new demands for uranium encouraged Elliot Lake to invest $30 million to expand its infrastructure for an expected population of 30,000. But the recovery never came. Uranium prices dropped 75% during the 1980's and the mines closed one after another. The last mine closed in 1996. Elliot Lake's population has stabilized at 13,590.

TRANSITION

To facilitate the transition away from mining, Elliot Lake's municipal leaders developed an Economic Diversification Strategy to turn the city into a centre for retirement living and all-season tourism. Using provincial seed money, the city set up the Elliot Lake Retirement Living Program to attract more than 3,000 retirees to buy vacant housing stock. It created more jobs by establishing a drug and alcohol treatment centre, attracting a field station of Laurentian University and expanding its tourism infrastructure. Using $7 million in funds from a variety of federal/provincial and local sources, the city is developing 4,500 cottage lots with provincial support, expanding recreational facilities, and turning the mining heritage into a focus for tourism.

Discovery North, a regional centre for business development, has assisted more than 100 small businesses to start or expand. Other ventures, such as the White Mountain Academy of the Arts,

Prestige Glass, fibre optics companies and a call centre for Ontario's social assistance program have located or expanded here. In 1998, the city adopted a new Official Plan (OP) that reinforces the EDS, embraces winter city and energy conservation design principles to improve the city's appeal and contains policies to address mine reclamation efforts.

Elliot Lake, Ontario
Source: Robert Young, 2002.

UNIQUENESS

Elliot Lake has access to large economic diversification funds because the establishment of a 250 megawatt hydro electric station nearby did not occur in the early 1990's. In compensation, 11 regional municipalities received $14.6 million and used it to create the Patten Post Diversification Fund; Elliot Lake received $3.5 million for its development priorities. Ontario has provided many millions in transition support over several decades, allowing Elliot Lake scope to diversify. Its location between Sudbury and Sault Ste. Marie provides access to transportation and markets.

CHALLENGES

With the mine closures, Elliot Lake's industrial tax base has fallen sharply, forcing the city to raise residential tax rates and alienate residents. With infrastructure built for a city twice as large as it is now, Elliot Lake bears very high costs for providing municipal services. A high number of retirees moving to Elliot Lake have fixed incomes that cannot turn the economy around; these same retirees place an increasing burden on health and long-term care services.

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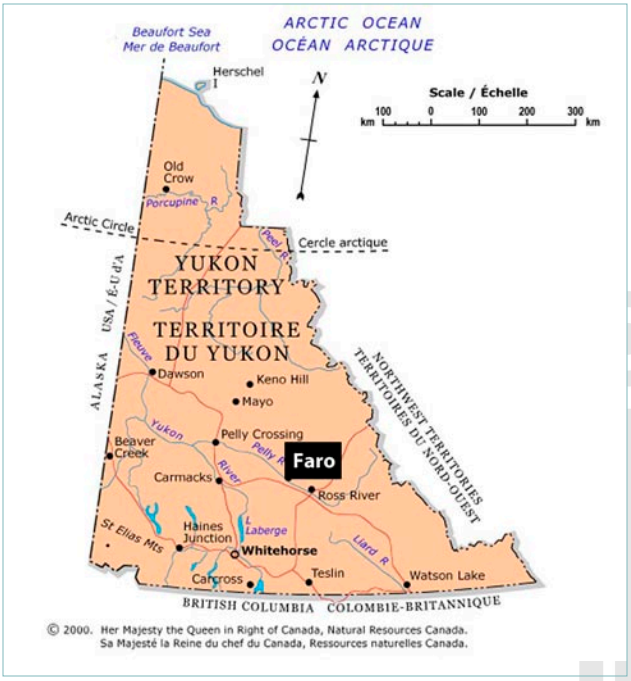
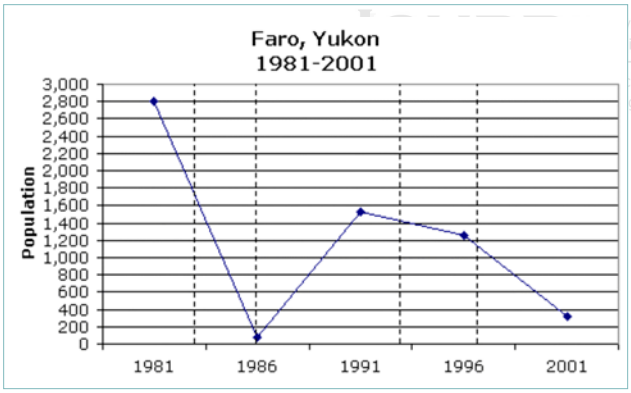
FARO, YUKON





Located 356 km northeast of Whitehorse, Faro was once the Yukon's economic powerhouse, producing 10% of the world's zinc and 12-15% of the Yukon's GDP. When the lead-zinc mine closed in 1998, half of the town's workforce lost their jobs, related industries suffered, and the population fell from 2,800 in 1981 to just 250 by 2000. The town faced a disappearing livelihood, a crumbling tax base and a much smaller population.

Unlike most other Yukon communities that are shrinking in a difficult economy, Faro has rebounded since the mine closure because of modest economic diversification in service, tourism and home-based jobs. The population grew to 380 by 2002. The need for social assistance is down, the crime rate is among the lowest in the Yukon, infrastructure is well developed and volunteer participation in community development is high and enthusiastic; however, fewer health, social and financial services are available and the school-aged population is smaller.

TRANSITION

Faro's resilience can be attributed to several unique factors. Chief among these is the determination of residents themselves to save and transform their town. They have tirelessly promoted the town's assets, with the key goal of increasing the town's population. The local government has used its Official Community Plan (OCP) well to plan economic diversification strategies, motivate public involvement and volunteerism, work cooperatively with other communities and aggressively promote Faro's assets to potential tourists and new residents. Focusing on priority projects rather than projects dictated by funding, Faro has also succeeded on gaining the political and financial support of the territorial government.

The territorial government was actively involved in court proceedings to ensure worker protection, full pay and the preservation of the mine's assets. It was also instrumental in developing

the comprehensive Faro Community Task Force to guide the transition period, increasing social services, creating a job transition centre and a job-training trust fund.

Faro, Yukon
Source: Town of Faro

UNIQUENESS

Faro's important role in the territorial economy has motivated the Yukon government's strong support of the town's recovery. The territorial municipal grant structure has worked in Faro's favour in that it tends to receive the second highest grant in the territory. Although remote, it is in a scenic location attractive to numerous groups, especially artists and seniors who are being recruited to relocate, as well as to tourists. As well, Faro benefits from a uniquely strong will to survive, pro-active local government and high level of volunteerism.

CHALLENGES

Faro's remoteness and northern climate will make it hard to attract residents and its distance to markets will hinder economic diversification. The mine closure depressed the entire region's economy. Between $50-200 million must be found for the mine's environmental reclamation but, once obtained, these funds will provide many jobs for several years.

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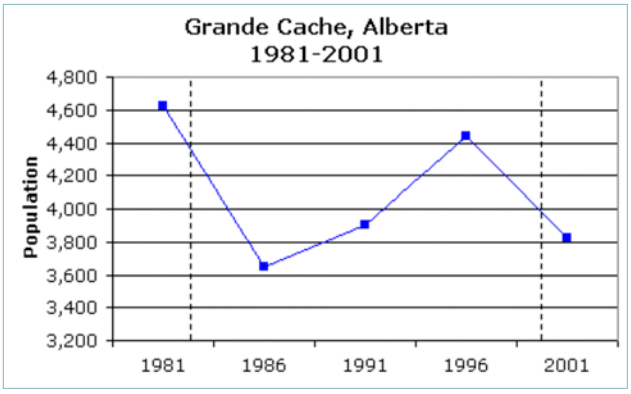
GRANDE CACHE, ALBERTA



Grande Cache is located on an isolated mountain plateau in northwestern Alberta, about 214 km north of Jasper and 182 km south of Grande Prairie. With an economy that depends heavily on the coal industry, Grande Cache was hit hard by the closure of its largest employer, the Smoky River Coal Mine, in 2000. Employment in mining dropped from 28.5% in 1996 to 8.4% in 2001. In the same time period, the population dropped from 4,441 to 3,828.

TRANSITION

Grande Cache's local government responded to the mine closure by partnering with the provincial and federal governments on economic diversification studies and on training and job search initiatives. It offered in-kind assistance by providing such things as office space for employment programs and by allowing municipal equipment to be used to help displaced workers obtain their heavy equipment operator licenses. The town is exploring regional economic development and municipal service sharing opportunities. Grande Cache has stabilized its revenues despite a drop in property tax assessments by adjusting mill rates, ensuring that it can maintain service levels and continue to attract new residents. It is also working toward community viability by exploring tourism opportunities.

Provincial initiatives, such as funding the Grande Cache Workforce Project, helped about 80% of the displaced workers find full-time jobs. Funds from the Alberta government also supported economic development strategies, funded municipal improvements, and encouraged regional partnerships. The federal Western Economic Diversification Canada (WEDC) program provided funding for economic reviews and the Community Futures program helped displaced workers and other residents investigate entrepreneurial opportunities.

Businesses successfully marketed the town to retirees by providing free accommodation, recreation and tourism amenities to people willing to visit Grande Cache and explore relocation to the community.

Grande Cache, Alberta
Source: Travel Alberta

UNIQUENESS

Grande Cache has the advantage of already having economic alternatives in forestry, corrections and tourism. Increased oil and gas exploration over the past year has already brought new businesses to town. There is a possibility that the coal mine may reopen under new ownership. The municipality is working on reducing its debt and has managed to keep town operations stable with no loss of services. The Regional Partnership Initiative will identify ways the town can work with its municipal neighbours to make it more efficient. New opportunities exist in the expanding eco-tourism sector. Strong local leadership and proactive efforts of businesses to attract new residents and new business have helped Grande Cache on the road to recovery.

CHALLENGES

Some of Grande Cache's prospects, such as expanding oil and gas exploration or reopening of the coal mine, are still tentative. Grande Cache must overcome other obstacles, such as the soft wood lumber dispute that has caused a majority (125) of the workers at the Weyerhaeuser mill to be laid off.

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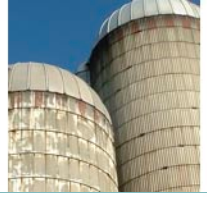
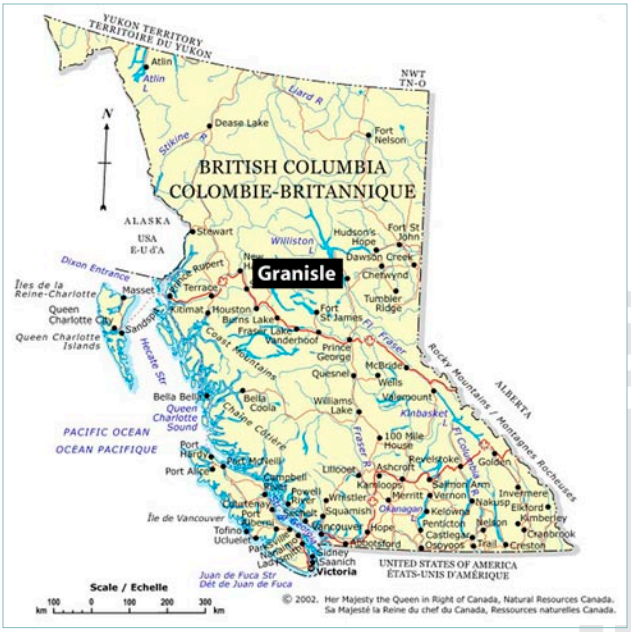


GRANISLE, BRITISH COLUMBIA



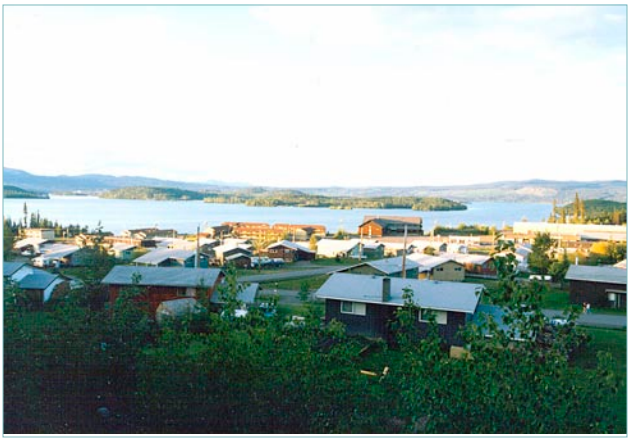
Granisle is remotely located in northern British Columbia on Babine Lake. It is 50 km north from Highway 16 and a further 70 km east along Highway 16 from Smithers (a 1.5 hour drive). Logging was important to the area, but Granisle was incorporated in 1971 to house miners working at Noranda's Bell and Granisle copper mines. Low copper prices forced Granisle Copper to close in 1982, causing the population to plummet from 1,600 that year to 575 by 1985. The remaining Bell mine operated in erratically, closing permanently in 1992. The population dropped to 517 in 1993.

TRANSITION

Anticipating the Bell mine closure, the village council formed the Granisle Growth Society in 1988 to plan the village's transition; however it accomplished little and disbanded in the 1990's. The village put top priority on reducing expenses by cutting recreational services and paying off the long-term debt by 1996. It sold mine-owned, vacant houses to retirees, investors and former employees and strata-titled rental properties to increase the tax base. Granisle investigated industries such as hazardous waste disposal, tourism and forestry remanufacturing but has made little progress in attracting industry. Granisle received provincial funding for transition from the Natural Resource Community Fund and also still receives an annual small community protection grant that is provided to all small and medium sized municipalities in the province. The federal-provincial Industrial Services Adjustment agreement provided funds to develop an economic recovery strategy. The federal government also provided some funds for worker relocation. Granisle's population decline has continued, reaching 371 in 2002. The village continues to lobby to have the back road to Smithers improved, but has been unsuccessful so far. Service levels also continue to fall.

UNIQUENESS

A new copper-gold-silver mine may open at nearby Morrison Lake to provide jobs, but this will not help the village diversify. Forestry employment has declined throughout the Bulkley-Babine area. Granisle has no debt and is able to operate with reduced staff and a small budget. Babine Lake has abundant potential for attracting tourists involved in boating, fishing, and wildlife viewing. There is some seasonal tourism, such as snowmobiling, fishing and boating but efforts to expand tourism have not worked well. To earn revenue, the village uses the municipal arena as a winter storage facility for recreational vehicles and boats. The village's demographics have changed the demand for services from education and recreation to health care: in 1992, 45.5% of the population was under 24; in 2001, 67.7% were over 45.



Village of Granisle, British Columbia
Source: Community, Aboriginal and Women's Services, British Columbia

CHALLENGES

While the community is stable and has sustained a local government, Granisle has made little progress in attracting new businesses probably because it lacks economic diversification expertise. Also, it has found that most potential businesses would rather locate in Smithers, Houston or Burns Lake. The remoteness and northern latitude (50th parallel) makes it challenging to attract new residents to the community. Prospective residents might not find Granisle appealing because community services are declining and additions to the tax base to allow for new services are unlikely. The village's demographic shift also shifts the demand for services. The 30-minute drive to Highway 16 makes Granisle remote to services and markets.

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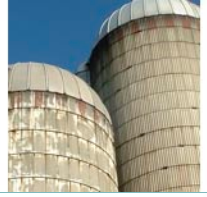
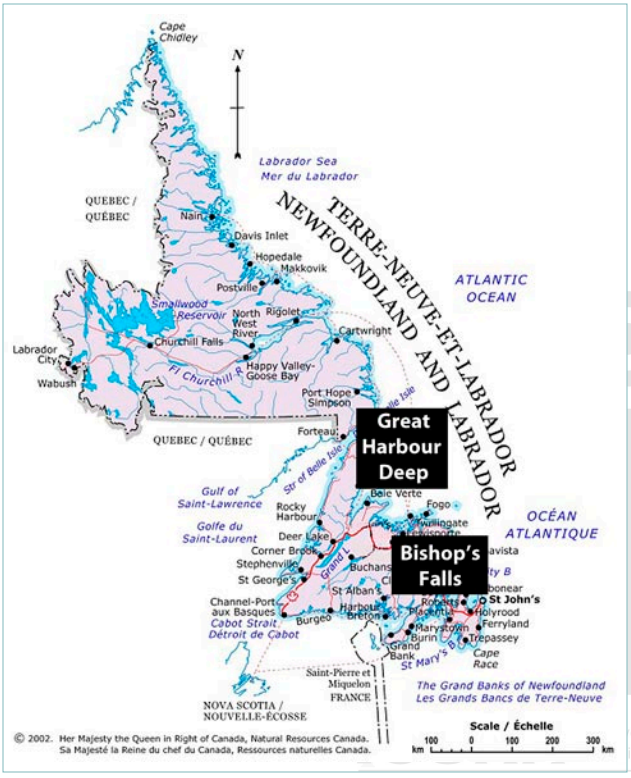
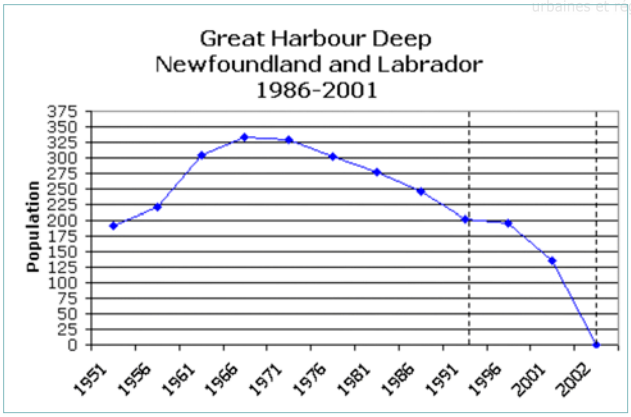


CASE STUDIES

GREAT HARBOUR DEEP, NEWFOUNDLAND AND LABRADOR





Established as a fishing station in the 17th century, Great Harbour Deep was an isolated coastal community accessible by ferry only six months a year or by an occasional airplane. Depending mainly on the cod and salmon fishing/processing for employment, the town had full employment during the fishing season in the 1980's but in recent years 68% of workers used employment insurance compared to the provincial average of 38%.

With the closure of the cod fishery in 1992, 19,000 fishers and plant jobs and 20,000 indirect jobs were lost or reduced province-wide, destroying the economic backbone of hundreds of communities. Caught in the same net, Great Harbour Deep's landed catch decreased forty-fold by 2001 and the processing plant closed. The town's population dwindled from a peak of 245 in 1986 to 135 by 2001. The town's tax base eroded and it became impossible to balance the budget and meet debt payments. Finding no options for economic diversification, the town council – fully supported by the population – aggressively pursued provincial financial assistance to relocate.

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TRANSITION

The province agreed to relocation because of the community's strong desire to disband the town. It also recognized that relocation costs of $5.7 million would be recovered within five years by saving $1.3 million annually from discontinued town services. The relocation process began in April 2002 and the town was declared evacuated by December 2002. The province offered permanent residents a compensation package of $80-$100,000 to relocate in exchange for unencumbered title to their homes, the withdrawal of all government services, and a guarantee of no further claims against the province. Non-resident property owners were offered the assessed value of their property and all but seven out of 21 non-residents accepted. Business owners were offered two times the assessed real property values.

UNIQUENESS

Great Harbour Deep's coastal isolation created unique circumstances within the context of the federal cod fishing closure. With no viable economic development options, Great Harbour Deep was successfully relocated because of unanimous local support. Long-term benefits, such as providing residents with better access to services and job opportunities, also favoured relocation. It made more long-term economic sense to close the town and pay for relocation than to maintain services.

Town of Great Harbour Deep, Newfoundland and Labrador
Source: Municipal and Provincial Affairs, Newfoundland and Labrador

CHALLENGES

The provincial government does not want to return to the resettlement practices of 1953-65 that relocated 35,000 people and shut down 300 communities, nor does it want to set a precedent for future resettlements.

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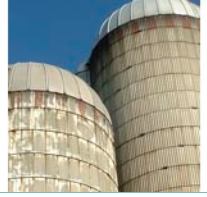
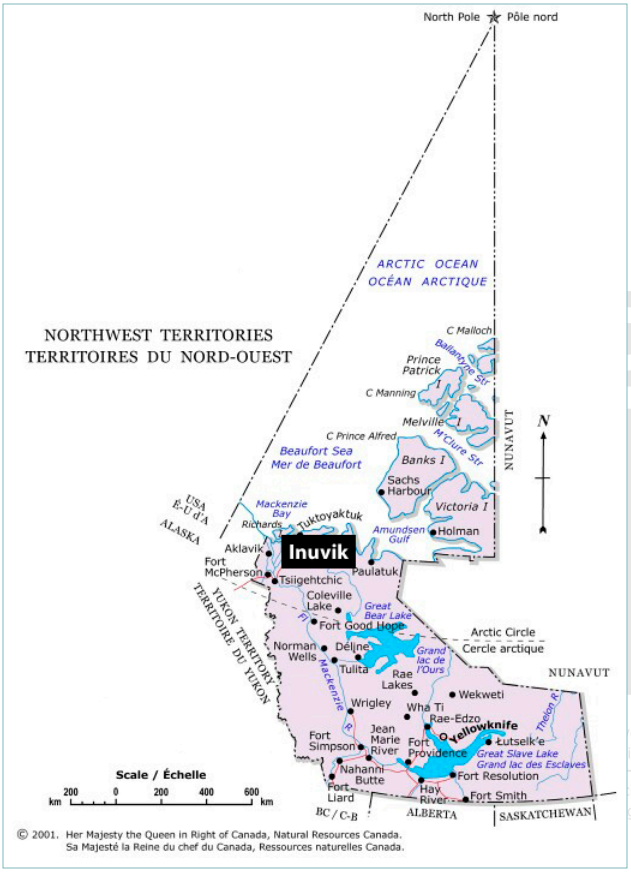
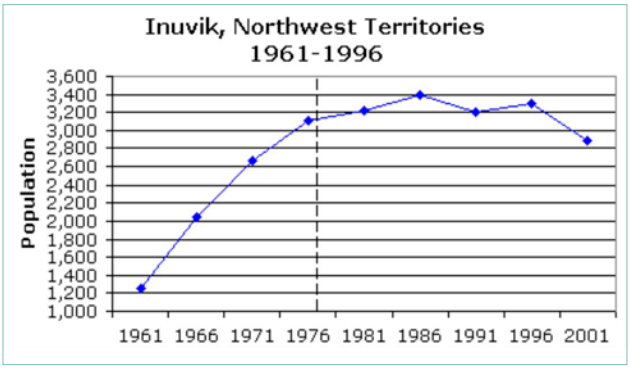


INUVIK, NORTHWEST TERRITORIES





Incorporated as the first planned community north of the Arctic Circle, Inuvik lies at the end of the Dempster Highway on the banks of the Mackenzie River delta, about 100 km south of the Beaufort Sea coastline. Since 1954, the town has served as the region's administrative centre. Inuvik had no single crisis, but its economy lurched in fits and starts, along with the oil industry's interest in developing regional oil and gas fields and the Mackenzie Valley pipeline, for more than 25 years. Despite these economic shifts, Inuvik's population maintained slow growth and is now 3,000.

TRANSITION

The economy boomed when Imperial Oil announced nearby oil discoveries in 1973. However, the oil industry virtually ceased in 1977 when the Berger Commission recommended a 10-year moratorium on the pipeline to allow time to resolve native land claims. Oil development increased through the 1980's under the federal National Energy Program (NEP) and federal frontier energy policies but slowed when the NEP ended and oil prices fell in the 1990's.

When Canadian Forces Station (Inuvik) closed in 1986, the economic loss was small but significant. The local government capitalized on the loss by turning the old base into the new Aurora College campus for oil industry training and northern scientific research. The town also lobbied to become a part of the Community Futures network for economic development. Inuvik is now marketing itself as a conference destination. The Inuvialuit people and the Gwich'in First Nation have worked actively to create many businesses, preserve the environment and ensure that aboriginal peoples benefit from oil and gas profits. In June 2003, all parties reached an agreement to build a $4 billion, 1,350 km pipeline project from Alaska to the Alberta border, promising to spur significant economic development in Inuvik.

UNIQUENESS

The town's status as the regional administrative centre makes it less sensitive to job loss in the oil industry because roughly half of all jobs are in the public sector. As a result, the oil industry merely expands the existing economy during boom years and does not create a crisis during industry slowdowns. Pioneering Aboriginal governments, organisations and business corporations in Inuvik have created a blueprint for successful economic partnerships between local peoples and industry in the NWT. Cooperation across ethnic, cultural and interest lines is perhaps the greatest of Inuvik's strengths and the most important lesson to be learned from this community. The town's remoteness requires it to be self-sufficient in providing many goods and services, ensuring a robust economic base, strong infrastructure and good social, education and health services.

Town of Inuvik, Northwest Territories
Source: Municipal and Community Affairs, Northwest Territories

CHALLENGES

Extreme but unrealized population growth predictions of the past have made credible long-term planning difficult. Inuvik's remote location, harsh climate, fragile environment and high cost of infrastructure increase industry costs and hinder year-round transportation and access to markets.

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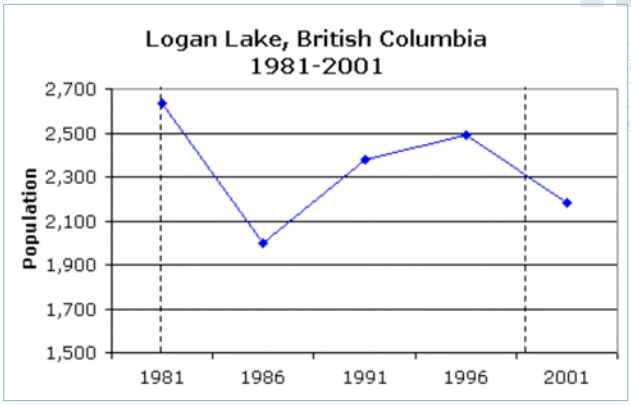
LOGAN LAKE, BRITISH COLUMBIA



Logan Lake is located in the Nicola Valley area of British Columbia, halfway between the much larger towns of Kamloops and Merritt. Logan Lake's economy has been driven by copper and molybdenum mining since 1871 and the district's prosperity has gone up and down with international markets. By 1981, mining accounted for 61% of jobs in Logan Lake. The Highmont mine closed without warning when molybdenum markets collapsed in 1984. Shocked and angry over a poor home buyout package, many miners left town within a week; the population fell from 2,637 in 1981 to 2,001 in 1986.

TRANSITION

Elected leaders decided to be positive and quickly organized TV coverage to market local housing as affordable. Fire-sale prices meant that retirees and commuters soon bought all housing and the population stabilized at 2,500 by 1992. During the 1980's the individual mines joined together in a consortium known as Highland Valley Copper, prolonging the viability of mining operations. In 1989, Logan Lake extended its municipal boundaries (previously set out by the province) to include two mines, thus increasing the industrial tax base for the first time. When world copper prices collapsed and prices dropped in 1999, all of the mines and facilities closed down for four months. Although temporary, the closure gave local residents a preview of what might happen to Logan Lake when the mines close down as scheduled in 2009. The town responded by adopting an economic development strategy in 2001 to attract smaller industries in tourism, industrial and resource development, and community services. As a result, the town is less dependent on mining jobs, tourism is expanding and the region has a budding film industry.

UNIQUENESS

The municipality's ability to get media coverage in 1984 to advertise high quality, inexpensive housing was pivotal in maintaining Logan Lake's population and tax base. Knowing that the remaining mines will certainly close in 2009, Logan Lake has the advantage of having six more years to prepare for the shut down through diversification. The town has infrastructure capacity for twice the current population. It enjoys close access to services provided regionally from Kamloops and Merritt. Logan Lake has opportunities to diversify economically through the film and construction industries, as well as through other sustainable mining operations in the area. The Coquihalla highway passes within 25 km of Logan Lake, making the town attractive to commuters and tourists, as well as providing easy access to markets.

Highland Valley Mining Complex, Logan Lake, British Columbia
Source: Thompson-Nicola Regional District

CHALLENGES

The district has a growing debt relative to its taxation capacity because of its small industrial tax base. Residents retain high expectations about local service levels even after taxes from mining are lost in 2009. Some residents cannot accept their mining community as a retirement or bedroom community, slowing economic diversification.

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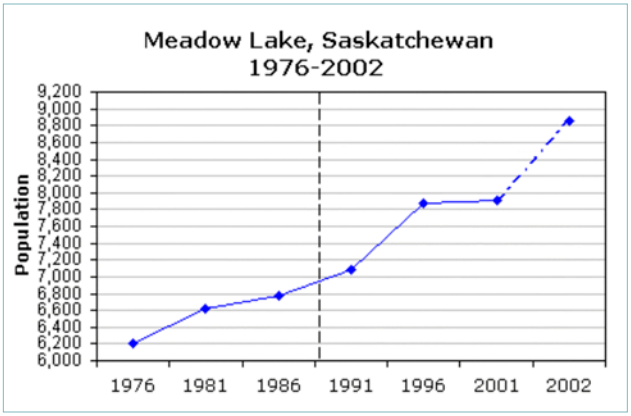
MEADOW LAKE, SASKATCHEWAN



Established as a trading post on the fringe of northern Saskatchewan in 1799, Meadow Lake has an economy built on forestry and grain. Located on a minor road 300 km northwest of Saskatoon, Meadow Lake has three local governments – the town, a rural municipality (RM) and the Meadow Lake Tribal Council (MLTC) representing nine First Nations. The town went into crisis when the local sawmill threatened to close in 1988.

TRANSITION

Sawmill employees joined with the MLTC to buy the mill and save 300 direct and indirect jobs. This partnership and provincial government forestry license requirements resulted in a series of complementary and successful initiatives and business alliances and ventures. Millar Western Ltd and the province's Crown Investments Corporation (CIC) established the world's first zero pollution pulp mill. The sawmill and pulp mill then established a management company to contract out forest operations, creating business and jobs for Aboriginal and non-Aboriginal residents. Training programs were developed to build long-term forestry capacity and co-management boards improved First Nations and community involvement in decision-making. The RM supported these initiatives by being involved in the buyout negotiations, fixing property taxes for 25 years, and upgrading roads. The town has ensured adequate housing supply and water treatment infrastructure.

Meadow Lake's economy has improved greatly as a result of the buyout and related activity, growing from a population of 6,500 in 1981 to more than 8,000 in 2002, defying provincial trends. The sawmill offers stable, year-round jobs, has increased production from 40 to more than 100 million board feet and is ranked in the top 100 of Saskatchewan's profitable companies. The pulp mill and 120 independent forestry companies have made the local economy more robust, although

still forestry-dependent. Unemployment remains high at 14% compared to the provincial average of 6%, however Aboriginal labour force participation rates, education and income levels have increased significantly.

Meadow Lake, Saskatchewan
Source: Daryl's Photographic Art

UNIQUENESS

Much of Meadow Lake's success is due to the employees' willingness to risk their own money to protect their jobs through the innovative buyout plan rather than waiting for government help. Comprehensive strategic planning developed anchor industries, complementary spin-off companies and joint ventures to expand and diversify the economy. Sound business practices, technical and management innovation, a commitment to co-management of resources, and the separation of First Nations' political and economic agendas also contributed to Meadow Lake's success. All levels of government provided active support through financial assistance or policies ensuring local benefits from forestry development. The relatively large population provided a strong property tax base, as well as a demand and supply for services that supported economic diversification.

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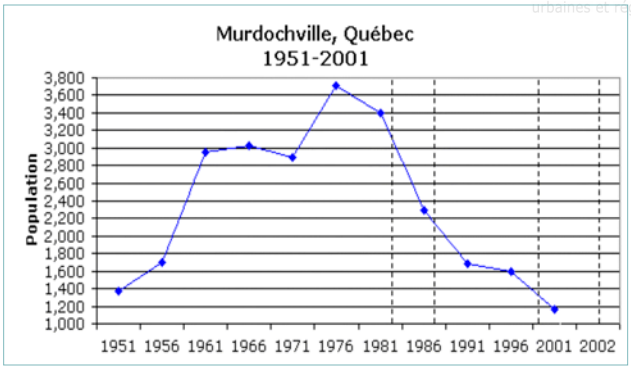
CHALLENGES

Employee ownership creates unique labour relations issues. Ownership issues are confused by employee attrition. While the forestry license conditions have ensured local benefits, the forestry industry finds the 10-year horizon to be too short for meaningful planning.

MURDOCHVILLE, QUÉBEC



Murdochville lies in the heart of the Gaspé Peninsula, connected by road to the town of Gaspé 90 km east and to L'Anse-Pleureuse 40 km north. While the rest of the impoverished and rapidly depopulating peninsula depends on seasonal jobs from tourism, fishing and logging, Murdochville's economy has depended on the sporadic operation of Noranda's copper mine and smelter. Depleted ore reserves forced the mine's permanent closure in 1999. The smelter closed in 2002, costing 300 jobs, wiping out incomes for most of the 1,171 population, and decreasing municipal tax revenues by 70%. With no apparent economic options available in a peninsula with 21% unemployment, and lured by promises from local leaders of large governmental compensations, town residents voted 65% in favour of closing down the town in August, 2002.

TRANSITION

After a realistic and careful analysis of the situation, the Québec government has come to the conclusion that Murdochville does have a future, in view of its comparative advantages in the fields of renewable energy and eco-tourism. 3Ci and its partners have announced they will invest $180 million to build two wind power plants that will produce 108 MW and create 100 jobs over the next two years. Very shortly, the Société d'assurance automobile du Québec (SAAQ) will set up a call centre that will create 55 jobs. The Québec government has also committed $17.5 million over the next seven years to programs aimed at assisting workers, companies, and the local municipality, including funding for the establishment of an industrial park. Recently, the federal and provincial governments set up a $2 million development fund, equally funded by both. This fund is dedicated to Murdochville's economic consolidation and restructuring.

UNIQUENESS

In favour of its economic development, Murdochville can benefit from its existing Noranda infrastructure and the availability of a 75kW hydro-electric supply sufficient for large industries. Although far from markets, the town has good road access and the potential to develop renewable energies (mainly wind power energy), services and eco-tourism. Residents have a strong desire to protect their quality of life and many wish to find jobs that will allow them to remain in the town.

Noranda Copper Mine and Smelter, Murdochville, Québec
Source: Point du Jour Aviation Ltée, Jean-Marie Cossette

CHALLENGES

Murdochville's greatest obstacle may come from its loss of hope and the belief of some citizens and community leaders that the town's only solution is to shut down. Murdochville's successful recovery rests on the mobilization of all socio-economic actors. The local population must take charge of its socio-economic development. The Québec government believes that by the mobilization of all local and regional actors, the strong political commitment of all levels of government, and Hydro-Québec and private sector participation, Murdochville can be reinvented and have a new lease on life.

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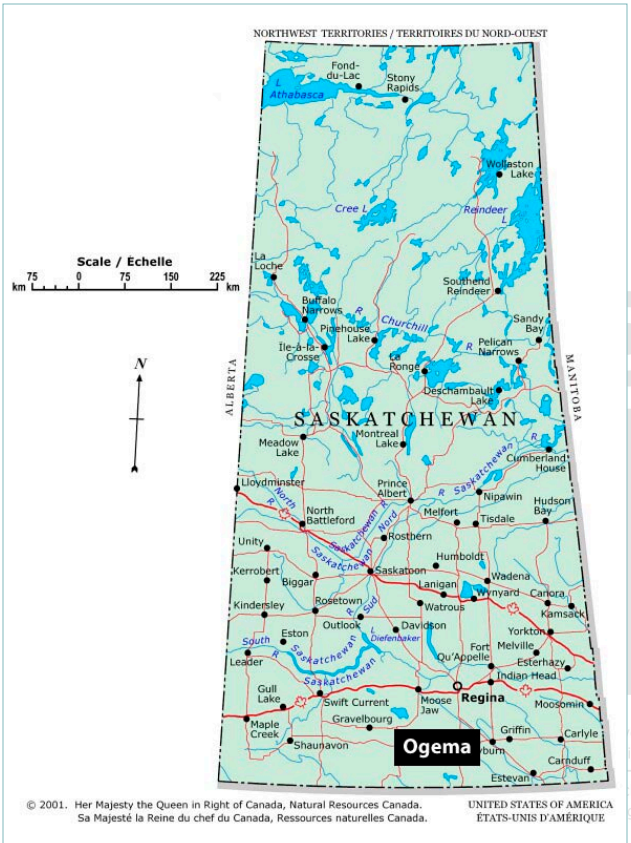
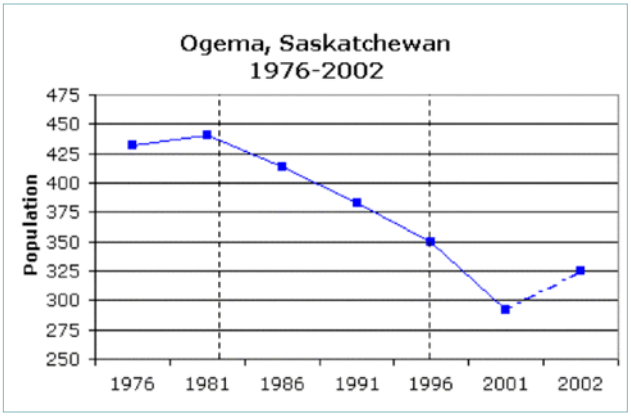
OGEMA, SASKATCHEWAN





The growth of the Canadian Pacific Railway (CPR) in southern Saskatchewan led to the settlement of Ogema in a mixed farming and ranching area 80 km south of Regina. Starting in the 1970's, agriculture began a slow decline. The CPR's rationalization in the 1990's left Ogema isolated from large centres and reduced its strategic role of regional service provider. The crisis came in 1996 when the CPR closed the 114 km Pangman-Assiniboia branch line that ran through Ogema. This led to the closure of local grain elevators and other businesses. The population fell from 441 in 1981 to 292 in 2001.

TRANSITION

Local and elected community leaders realized they needed to undertake large projects on a regional basis to save their town. Raising initial capital locally to gain access to bank and federal infrastructure financing, they formed the Red Coat Road and Rail to purchase the branch line in 1999 to create a short-line railway. Local groups also purchased seven Saskatchewan Wheat Pool grain elevators in the region and built a loading facility in Ogema. They formed the South Central Hog Group and invested $33 million in a 5,000 hog unit. The provincial and federal governments facilitated these projects with funding, support and advice.

The short-line railway purchase, the creation of South Central Hog and efforts to stabilize health and education services have combined to revitalize Ogema and surrounding regional towns. The region has created more than 90 jobs in three years and average incomes have increased by 46% between 1996 and 2001. This momentum has attracted several new industries to the area, as well as new service and retail businesses. Ogema's population is now 325, close to levels before the railway closure.

UNIQUENESS

Ogema recovered because of strong, entrepreneurial municipal leadership that recognized the need for the community to redefine itself on a regional basis. The community was willing to take financial risks and its leaders had the ability both to raise local capital and to leverage it for the external capital needed to create profitable businesses. Ogema's leaders have demonstrated their commitment to consultation processes to gain public support for all decisions. Rather than focusing solely on economic progress, they also recognize the need to expand recreational, health and educational services to help its population stabilize and grow.

CHALLENGES

Local citizens fear government and big business, making it harder to use them as allies to develop new businesses or service projects. Progress on business development has also been slowed by a lack of skilled labour in the region. Some projects, such as hog barns, have significant local opposition for environmental and aesthetic reasons.

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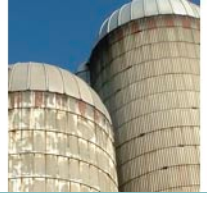
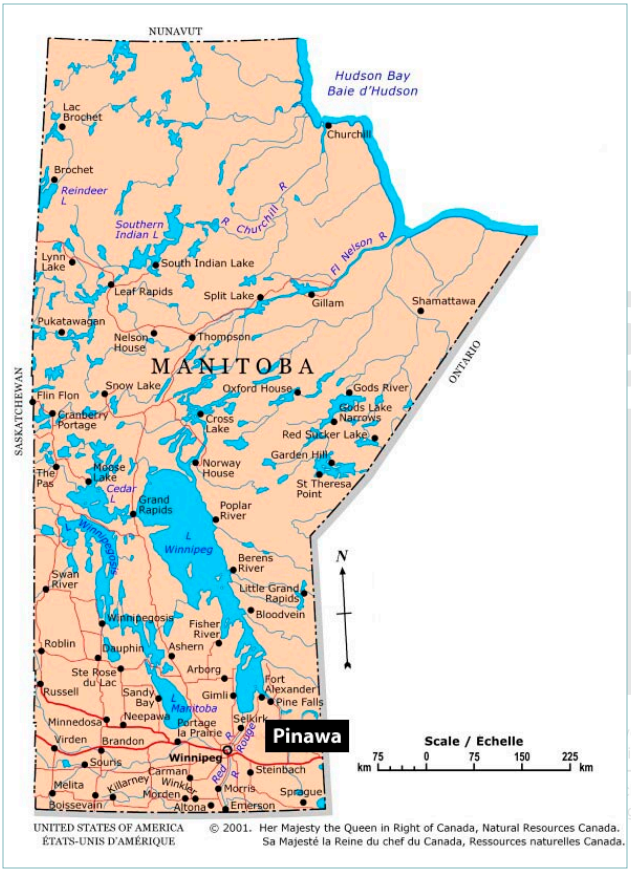
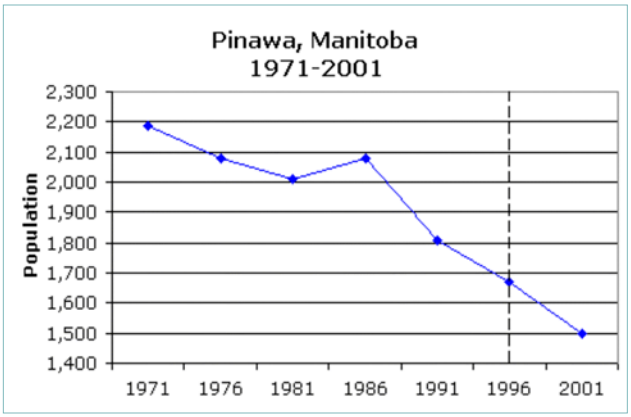


PINAWA, MANITOBA





Pinawa was established in 1960 as a planned community to house employees of Atomic Energy of Canada's (AECL) nuclear research centre 120 km east of Winnipeg. As the largest federal research and development facility in western Canada, Whiteshell Laboratories, at its peak in 1991, had about 1,100 employees. It provided approximately 50% of the municipal tax base through a grant-in-lieu and contributed significantly to Manitoba's economy. Without advance warning, the federal government announced in 1996 that the lab would close. Almost all AECL workers were affected by the closure announcement and by the end of 2003, it is expected that approximately 30 employees will remain employed at the facility.

TRANSITION

Despite the lab's closure, AECL continued to pay a grant-in-lieu (GIL), to support the local government to maintain municipal services, reducing the closure's impact. AECL provided generous early retirement and 100% home buyout packages to lab employees. The federal government, in an economic development partnership with the Province of Manitoba, attempted to find private investment for the federal lab and offered $20 million in repayable loans to privatize the lab. This approach was in contrast to the federal response to the closure of other federal facilities, which supported communities impacted through financial assistance, in the form of grants and loans and through relocation of other federal operations. This approach, which did not involve local leadership, failed to attract industry partners. It disbanded in 2001.

Over the long term, Manitoba has supported the community by marketing AECL facilities as an attractive business opportunity and providing support to local economic development activities.

Following the election of a new local government in 1998, Pinawa has been leading the community transition process. The new Council started the

Economic Development Standing Committee (EDSC) to create a community-driven framework for economic diversification. Focusing on local opportunities that capitalized on the community's scientific background, the LDG has attracted a specialized plastics business, new tourism enterprises and post-secondary education capacity to the town. The community is presently focusing on attracting emerging environmental and technology-based business including water testing and climate change labs.

Pinawa, Manitoba
Source: Pinawa Community Development Corporation

UNIQUENESS

Pinawa has a unique community profile because its economy has depended on a highly regulated, environmentally sensitive and scientifically specialized industry that cannot be easily privatized. As a result of Pinawa's highly educated workforce, Pinawa is uniquely positioned to attract high-tech industries. AECL's ongoing financial obligation to Pinawa has prevented a crisis and allowed the town time to use its assets, such as being located in a prime tourist area, to diversify the economy. Pinawa has the added advantage of being attractive to residents because it was built to Winnipeg subdivision standards and offers a high level of municipal services.

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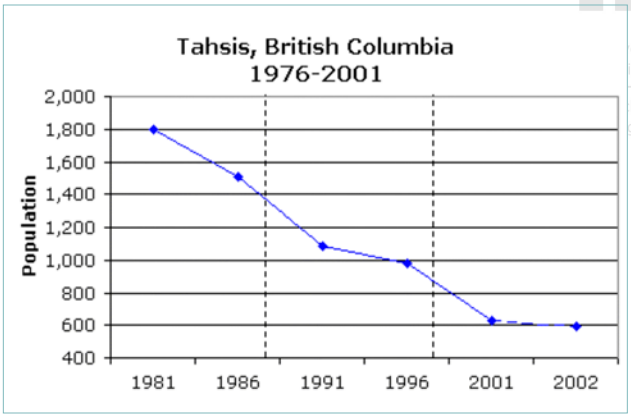
CHALLENGES

Any reduction of AECL's GIL will severely impact Pinawa's tax base and ability to provide services; new municipal revenues must be found. The community is exploring opportunities to generate new municipal revenue and continues to require long-term support.

The community must overcome negative public perceptions about the nuclear industry and nuclear wastes to realize its economic diversification goals and attract new residents. Most workers in Pinawa have highly focused and scientific skill sets making alternative employment in the community difficult, unless applied to high-tech or the challenge of storing radioactive waste.

TAHSIS, BRITISH COLUMBIA



Tahsis is a small village in Nootka Sound on the west coast of Vancouver Island. At the end of a 63 km logging road from Gold River, Tahsis has been a logging and sawmilling community since the early to mid 1900's. After many years of erratic operation, Doman Western Industries decided to close its Tahsis sawmill permanently in 2001, causing the loss of 180 permanent, high-paying jobs – 60% of the local workforce. As a result, most mill workers left and the population fell from a 1982 peak of 1,800 to 597 in 2002.

TRANSITION

Working with the provincial government, the Village Council developed a transition plan to reduce costs while maintaining local services. It also created the Tahsis Economic Development Society and an Access Centre to promote growth. The Council has championed an economic plan based on light industry, tourism and recreation. It has followed through by completing a heliport to support industry; improving services, road access and tourism infrastructure; providing high speed internet access; taking over operation of federal wharves; and supporting the development of shellfish aquaculture and a power plant on McKelvie Creek. The province has provided assistance and funding for transition and for economic diversification studies and expertise. The federal government has provided funding for the Access Centre and reviews of economic options. As a result of these initiatives, the community has stabilized: the population decline has halted, most local businesses have stayed and housing stock is being bought by seasonal residents.

UNIQUENESS

Tahsis has strong local leadership and its remaining residents are positive about the village's future. With many eco-tourism assets and a deep-sea port that recently attracted its first cruise ship, the community can develop its tourism industry based on its link to Capt. Vancouver's discovery of British Columbia and its spectacular environment. If the federal government lifts its moratorium on offshore oil and gas development, Tahsis is well located to participate; its helipad is the only one in area available to serve oil rigs. Other opportunities exist through shellfish aquaculture and power generation. The village has no debt and the sawmill will continue to pay property taxes, which account for 80% of the tax base, to the end of 2003. Tahsis may be able to put the mill's extensive site to a variety of uses, depending on reclamation costs.

Tahsis, British Columbia
Source: Village of Tahsis

CHALLENGES

The entire region is suffering from the downturn in the lumber industry, causing competition with Gold River and Zeballos for businesses, especially in tourism. Some public services are being reduced or centralized in Gold River. High costs for the environmental reclamation of the mill site may limit the uses to which the land can be put. The lack of local economic development expertise, along with finding revenues to replace the mill's taxes, are other problems to overcome.

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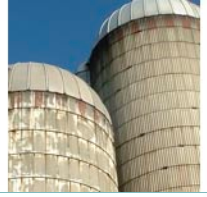
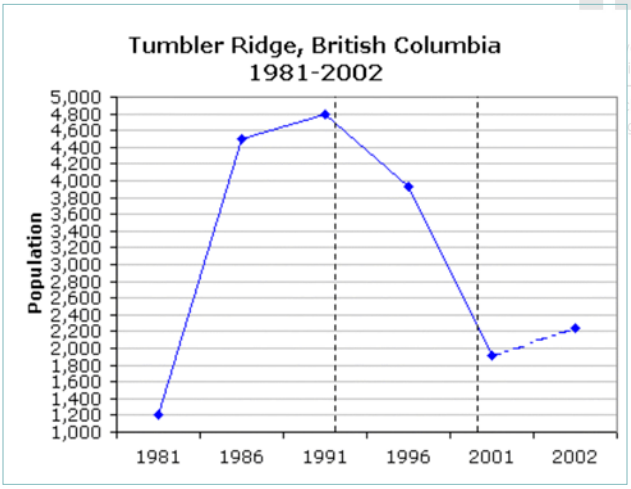


TUMBLER RIDGE, BRITISH COLUMBIA



Founded as a planned mining town in 1981 as part of a $3 billion economic initiative to export 100 million tons of coal to Japan, Tumbler Ridge is located in the northeastern Rocky Mountain foothills, 125 km southwest of Dawson Creek. Two open-pit mines, Quintette and Bullmoose, provided 70% of all local jobs and 65% of the municipal tax base. The managing corporation closed the Quintette mine suddenly in 2000, three years ahead of schedule, causing the loss of 800 direct indirect jobs, as well as 34% of the local tax base. The population has fallen from 3,939 in 1997/98 to 1,931 in 2001. The Bullmoose mine closed in 2003.

TRANSITION

Municipal leaders in Tumbler Ridge and the region acted to restore local confidence in the town. All levels of government joined together to establish a Community Revitalization Task Force to sell surplus housing, develop a transition plan and explore options to diversify the economy through opportunities such as eco-tourism. The province provided transition funding via the Municipal Finance Authority to free Tumbler Ridge of its $12.8 million infrastructure debt by 2000 and also protected financial, social, health and educational services during the transition period. The town acquired title to 985 housing units and has already re-sold most of them. It has also benefited from a federal-provincial job retraining program. Provincial community grants and reallocated oil and gas revenues from the Fair Share Agreement account for 18% of municipal revenue. The town now has greater job diversity and better income distribution, more new businesses and an unofficial population of 3,000.

UNIQUENESS

Tumbler Ridge exists in a beautiful location with bountiful renewable and non-renewable natural resources, giving it the potential to diversify its economy through tourism, forestry, agriculture, oil and gas, and coal. Western Canada Coal Corporation is planning to open the new Wolverine open-pit mine, possibly by 2005. The town is attractive to existing and new residents because of its modern housing stock and infrastructure, safe small town character and well-protected social, health and education services. Strong, positive local leadership and a recent history of collaboration with other regional communities have strengthened economic development opportunities, developed a strong sense of identity and encouraged volunteerism. The town's huge municipal boundary means that it can see taxation benefits from industries like coal mining and oil and gas exploration.

Storage Facility in Tumbler Ridge, British Columbia
Source: Community, Aboriginal and Women's Services, British Columbia

CHALLENGES

Tumbler Ridge's economic diversification has been slow and high mining wages have created high salary expectations. The town's isolated location has limited access to capital and markets, while its poor telecommunications infrastructure makes e-commerce and e-learning difficult. The community's continuing dependence on natural resources for jobs and local taxation make it vulnerable to resource availability and shifts in international markets. As more seniors move into Tumbler Ridge, there will be more pressure on health care delivery.

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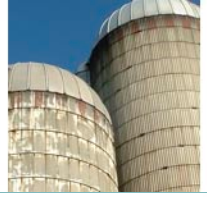
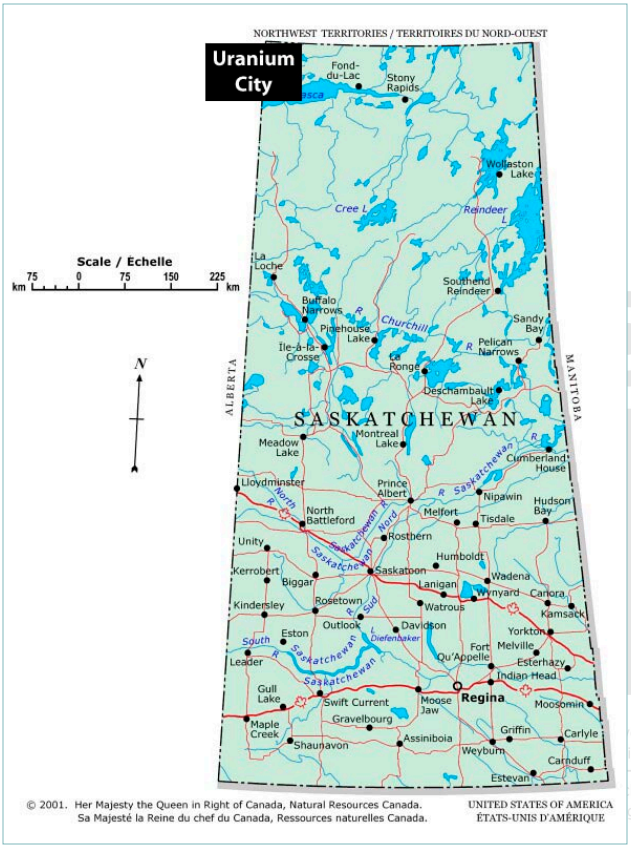


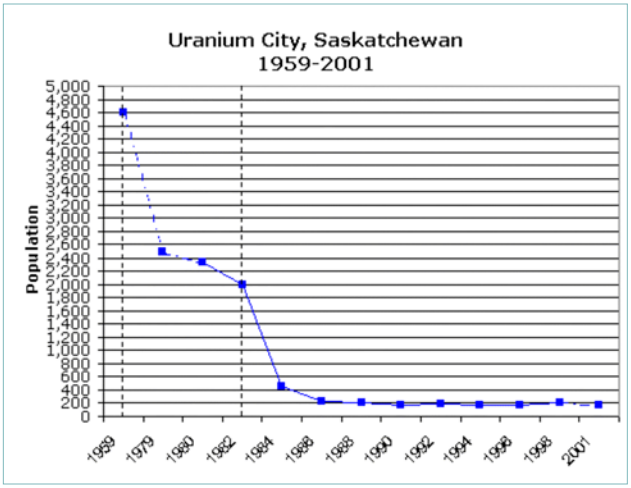
URANIUM CITY, SASKATCHEWAN



Situated in the remote northwestern corner of Saskatchewan and accessible year-round by air only, Uranium City sprang up in 1952 to exploit Canada's largest uranium field. With as many as 12 uranium mines and 3 mills in the area, the town's population peaked at 4,600 people in 1959. As the military need for uranium eroded and prices declined while environmental concerns increased, the mines gradually shut down. Due to decreased ore grades and increased production costs at its mining operations near Uranium City, Eldorado Mining closed its last mine in 1981, causing the population to plummet to 213 by 1988.

TRANSITION

The unexpected overnight closure of the last mine led to an immediate and lasting economic crisis. In 1984, the municipality ceased to exist and has played no official role in the region's future. The province manages Uranium City as a northern settlement and provides health, education and social services but remaining residents worry the province will withdraw these or even basic utility services altogether.



UNIQUENESS

Uranium City is typical of isolated, single-industry towns in the north because of its boom-bust vulnerability to international prices and social problems resulting from transient residents and alcoholism. However, its radioactive resource creates unique local conditions. The resource, once considered classified as being of strategic military importance and extracted under monopoly conditions, required a highly skilled workforce and technologies that could extract uranium safely in an environmentally sound manner under intense federal regulation. Uranium City's isolation makes economic diversification almost impossible, although local residents believe ecotourism opportunities exist for marketing the natural habitat and beauty of the region.

CHALLENGES

With year-round access by air only and a winter road available for only four weeks, transportation costs are high and consumer markets inaccessible. Impoverished living conditions, the write-off of most infrastructure and declining social, educational and health services, will make it hard for Uranium City to attract new residents and businesses.

The town's difficulties are compounded by the corporate history that surrounds most northern mining towns. When Uranium City was established in the 1950's, corporate profits and benefits to southern communities were given priority over local consultation and local participation in economic and social benefits. Rebuilding Uranium City would require a new attitude that puts priority on local consultation, providing diverse industry services locally, job training in transferable skills, northern revenue-sharing, best efforts to deliver social and economic benefits, more priority on community development and recognizing social spending as a legitimate royalty deduction.

Buildings in Uranium City, Saskatchewan
Source: Saskatchewan Government Relations

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Case Study Analysis

Introduction

Without exception, industry closures in resource-dependent communities come as a shock to the community and its residents. Even in the rare instances where there was some advance warning, leaders in all levels of government, workers and community citizens are taken by surprise and are unprepared for the closure's impacts on the community and on the lives of the individuals affected.

In the past, such closures were considered inevitable by workers and political and community leaders. 'Boom and bust' cycles were considered normal and abandoned ghost towns were common. Today, the relationship between industry and community has changed because resource industries now operate within or near municipalities that expect to outlast industry closures. Although industries continue to shut down without adequate warning and the shock is just as sudden, local citizens, community organizations and their leaders at all levels of government now have higher expectations for the survival of these communities. They believe that something can be done to save jobs and support newly unemployed workers and their families. They want continuing high levels of service delivery and stabilized municipal budgets. They hope that a way can be found to make the transition from a past that depends on a single, large employer to a future based on a different economy. Unionization, precedents of government intervention in industrial and economic crises, the provision of greater social supports from government, rising service expectations, and new technologies are just a few of the many factors that have raised expectations for community transition and recovery.

This document has already described many of the factors that influence the resiliency and recovery of resource-dependent communities. This chapter analyzes the 16 case studies to discover how different actors – the federal, provincial, territorial and local governments, the departing industries, and community organizations – can play a role in managing the transition and recovery process of communities that have faced an industry closure. By analyzing what was actually done by each actor in the case studies, this chapter will highlight their best practices, suggest actions the provincial and territorial governments can take to ensure these best practices are followed, and draw conclusions about the significant contributions each actor makes towards community transition and sustainable recovery.

Methodology

Policy analysts from the provinces and territories analyzed the 16 case studies through the lens of the five main actors in community transition. Analysts augmented the case studies with their collective knowledge and practical experience working with communities facing industry closure. The results were presented under three categories and pulled together in this chapter:

- the range of actions taken by each of the five actors;
- best practices; and
- actions that the provincial and territorial governments could take to influence these actors to become more effective in supporting community transition.

Caveats

The 16 case studies were developed to provide examples of a broad, nation-wide cross-section of communities depending on a range of resource-based industries that are at various stages of closure, transition and recovery. This variety, combined with many circumstantial factors such as community location, the availability of economic alternatives and community spirit, permits a general analysis but the conclusions reached should not be considered definitive. Because the research focussed on 16 selected case studies, it should be considered a good but not exhaustive picture of Canada's resource-dependent communities. Had a different set of case studies been chosen, possibly different insights may have been garnered. As well, the information collected about each case study should not be considered comprehensive. The information available to case study researchers was primarily qualitative and historical, making it difficult to compare communities and to extract significance of the role of specific actors or to determine the success of a community's transition process, a process that is ongoing and is unique to each community. Finally, the information available for the case studies is a snapshot that is accurate only up to August 2003. While the case studies are as up-to-date as possible, subsequent events within some of these communities, new government policies, or new economic realities may change the likelihood of community sustainability since these case studies were written.

Despite these caveats, it is believed that the analysis describes and explains approaches to community transition by providing valuable insights into how each actor can play a positive role in the transition of resource-dependent communities.

Role of the Federal Government

The federal government has had both a negative and positive influence on the economic prospects of resource-dependent communities: national policy decisions often impact entire regions negatively yet federal funding and other forms of support reduce these impacts and support recovery.

Broad national policy choices made by the federal government may be in the national interest but may have negative regional effects: they may force entire regions, as well as the individual communities within them, to cope with significant economic adjustments. Many of the communities presented in the 16 case studies illustrate locally the regional experience of economic decline linked to federal policy choices. For example, the 1992 closure of the Atlantic cod fisheries gravely affected communities like Canso, NS and Great Harbour Deep, NL; the National Energy Program of the 1980's created a boom and bust cycle in Inuvik, NT; railway closures impacted Bishop's Falls, NL and the elimination of the Crow rate in 1995 affected Ogema's future as a grain depot and railway transportation hub.

On the positive side, in every case study, the federal government played a constructive role in community transition and recovery in some form or other by providing services and often funding, and/or by collaborating with the provinces, territories, local government and other actors to stabilize the community and find options to improve its future economic prospects.

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Federal Government's Response to Community Crisis

The federal government supported community transition in the following ways:

Federal Involvement in Community Transition	Community Examples
collaborated with other actors in an economic development authority/committee/task force/ corporation	Pinawa, MB; Canso, NS; Bishop's Falls, NL; Tahsis, BC; Tumbler Ridge, BC; Uranium City, SK; Meadow Lake, SK
provided funding for a community access/business development centre, investigation of economic opportunities, development of strategies and feasibility studies, training assessment, job transition assistance, local job training, labour market initiatives and/or job searches	Canso, NS; Meadow Lake, SK; Grande Cache, AB; Inuvik, NT; Elliot Lake, ON; Logan Lake, BC; Ogema, SK; Tahsis, BC; Faro, YK; Granisle, BC; Tumbler Ridge, BC
provided funding for diversification, economic development and job creation projects	Canso, NS; Bishop's Falls, NL; Murdochville, QC; Elliot Lake, ON; Meadow Lake, SK
provided funding for tourism	Faro, YK
provided funding to build highways to replace railway	Bishop's Falls, NL
provided funding to purchase shares in local business	Meadow Lake, SK; Ogema, SK
provided loans for economic investments	Bishop's Falls, NL; Meadow Lake, SK; Ogema, SK; Pinawa, MB
provided investment incentives through rebates on federal corporate taxes	Bishop's Falls, NL
transferred ownership of federal property to community	Tahsis, BC
assisted in the transfer of houses to the local government	Tumbler Ridge, BC
supported a limited mine clean-up	Faro, YK

This table is for the purpose of illustration only. Some case studies may not have highlighted a particular actor's participation in the type of activities listed here.

Advance Consultations

Most of the federal government's policy decisions affecting regions and individual communities were made without advance consultations with communities that would be affected. In many, but not all cases, policy issues would have been discussed with the provinces and territories or in parliament, but communities might not have been aware that they were going to be impacted. Because of this, communities have been taken by surprise and, as a result, have likely had longer periods of economic decline and lost more economic opportunities than necessary. In most cases, the federal government did not assess the impact of broad policy changes at the local level and did not have an adequate plan in place to address the consequences of these policy decisions.

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Closure Notice

Federal government agencies have a mixed track record on providing closure notices. The AECL closure in Pinawa, MB came without warning after a period of investment, while the Eldorado mine closure in Uranium City, SK, also a surprise after years of significant investment, came with more than half a year's notice. Railway closures in the province of Newfoundland and Labrador (affecting towns like Bishop's Falls) and in Ogema, SK followed guidelines in federal legislation that required at least one year's notice of closure. Although communities are often in denial about closure despite warning signs, advance notice of closure is a vitally important practice because it gives the community time to adjust to the shock of closure and is an important tool that allows communities to organize and obtain resources for a stable transition into a new future.

Partnerships

Federal government partnerships with provincial and local governments and community groups supported the economic diversification of many communities. These local or regional partnerships took the form of economic development authorities, committees and corporations, and Industrial Adjustment Service agreements. Economic development partnerships can be essential to identifying and exploring opportunities, pulling together resources and supporting new economic development initiatives. These partnerships require effective coordination and the long-term commitment of all partners so that the long-term impacts of recovery strategies can be assessed, follow-up activities implemented, and new issues identified and addressed.

The federal government is working with the provinces and territories to build a national framework for rural policies through the Canadian Rural Partnership. The framework will be developed through the work of a network of rural policy teams working with federal, provincial, territorial and grassroots organizations to research topics relevant to small, rural communities. Once developed, this framework could support community capacity building and identify the tools small communities need to develop their economic and social foundations.

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Federal Funding

The case studies show that federal diversification funding can play an important role in community recovery. For example, the $7 million in federal funding for Bishop's Falls, NL under the province-wide Roads for Rails deal, contributed significantly to economic development. However, too much federal control without local input into how diversification funds should be spent can stifle local revitalization. This was especially evident in Bishop's Falls where all local projects had to be approved by Employment and Immigration Canada (EIC), bogging down the Bishop's Falls Development Corporation (BFDC) in bureaucracy. When the BFDC gained autonomy, economic results improved. More recently in Tahsis, BC, the federal government has been very supportive of local initiatives and has worked constructively with the municipality and the provincial government.

Other types of funding are also helpful. When the federal government is the departing industry, transition is eased when the federal government agencies continue payments-in-lieu after an industry closure, as in Pinawa, MB. In all cases, special employee assistance programs provide much-needed support for job retraining and buffer the economic hardships experienced by suddenly unemployed workers. Continued funding for and provision of federal services demonstrably eases the social and economic impacts of closure on communities.

Communication of Federal Assistance

Many of the communities studied in this project had difficulty determining whether they were eligible for federal funding programs. This issue arises partly because smaller communities – particularly those in transition – do not have the staff resources usually needed to locate and successfully seek out program funding. Periodic publication and circulation of a comprehensive listing of applicable federal government resources, including contacts within federal departments and agencies, would help these communities. As well, these communities would benefit from support in writing and submitting grant applications as they strive to adapt to challenging circumstances.

Federal Clean-up Responsibilities

Within the scope of the case studies, the federal government agencies have not adequately assumed their clean-up and reclamation responsibilities when withdrawing their operations from communities. In some specific locations where federal agencies operated, such as Uranium City, SK and Pinawa, MB the federal government failed to meet its environmental clean-up and reclamation obligations after ceasing operations. For example, Pinawa's ability to attract new residents and businesses depends partly on the safe, long-term storage of radioactive wastes at the AECL nuclear research Whiteshell site. Uranium City's mine site has yet to be decommissioned and radioactive wastes have not yet been reclaimed. In Uranium City, the federal government has also failed to complete its obligations to clean-up private properties abandoned by residents as a result of the mine closure. The federal government did meet its obligations for reclaiming abandoned railway operations in Bishop's Falls, NL and Ogema, SK.

The federal government has committed $4 billion over 10 years to clean-up contaminated federal sites in its 2004 budget. Of this, $3.5 billion will be dedicated to cleaning up federal lands. The remaining $500 million will be used to clean-up lands where the federal government shared responsibility with other partners, such as in the Sydney tar ponds. This commitment to clean-up contaminated sites does not extend at this point to Pinawa, MB and Uranium City, SK.

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Federal Government's Best Practices for Transition Management

Pre-closure Best Practices

- consult with the provinces, territories, regions, and communities before making policy decisions affecting resource communities;
- analyze the impacts of national policy on a regional and/or community level prior to adopting the policy;
- provide a formal, advance notice of closure of its facilities as much before the closure date as possible to provide employees and communities with the maximum amount of time to adjust and make future plans. In this way, federal agencies will serve as a model of good corporate behaviour to the private sector;
- design flexible community support programs that can be adapted to the specific needs of resource-dependent communities while maintaining a high standard of accountability;
- make a menu of assistance and support programs easily available and publicize this availability so that communities know in advance what resources they have access to, and under what terms and conditions they can obtain them.

Immediate Transition Best Practices

- work with the provinces, territories, and local communities on a regional basis to explore economic development opportunities;
- do not exercise too much control over decisions and funding, during the revitalization process, allowing local communities to make local decisions;
- provide funding for identifying, evaluating and pursuing economic development opportunities for those regions/communities that will experience decline because of federal government policy changes or the closure of federal or private industry operations;
- provide federal agency employees' with assistance programs when withdrawing operations from communities in order to provide transitional income and to set models for good corporate behaviour;
- maintain federal services in regions and communities impacted by industry closure and add extra, time-limited services to provide additional assistance during the transition period.

Long-term Best Practices

- Economic development authorities, committees or corporations continue to play a role (with federal participation) in revitalizing regions/communities that have gone through economic decline and transition.
- The federal government can model good corporate behaviour by ensuring its agencies fulfill all of their environmental and aesthetic clean-up responsibilities when withdrawing their operations from local communities.
- Federal government agencies need to set examples and be models of how private companies are expected to behave when withdrawing their operations from a community.

Provincial and Territorial Governments' Role in Encouraging Federal Best Practices

Provincial and territorial governments are in a unique position to influence federal actions related to resource-dependent communities undergoing transition because of their responsibility for local governments. To encourage responsible federal actions, the provincial and territorial governments could place priority on the following:

- encourage the participation of all levels of government in collaborative partnerships to address key social, economic and physical development issues, such as infrastructure, housing, employment and training, and provision of social services, that cannot be addressed by any single level of government alone; such collaborations could:
  - emphasize sustainable, long-term solutions instead of ad hoc projects;
  - improve program effectiveness and integration;
  - focus and lever resources;

- o coordinate the achievement of common policy interests, such as those related to skill shortages or environmental protection;
- o develop ongoing multilateral mechanisms for interaction;
- o potentially establish common policies and best practices, as well as more preventive and proactive measures related to community transition;
- o ensure respect for each level of government's jurisdiction.

- lobby for federal clean-up of the closed operations of federal agencies;
- support the federal government's Canadian Rural Partnership to encourage greater collaboration and inter-governmental coordination on policies and transition programs related to remote, resource-dependent communities;
- encourage the federal government to direct federal departments like Western Economic Diversification (WED) and regional associations like the Federal Regional Councils to work pro-actively with the provinces, territories and regions and to monitor and report the impacts of federal economic policies on resource-dependent communities;
- on a case by case basis where federal policies have had a negative impact on communities and where it makes fiscal sense, advocate that communities in decline be given priority under federal/intergovernmental community programs (homelessness, housing, culture, heritage, green initiatives, etc.);
- encourage the federal government to use forums like the Canadian Council of Ministers of the Environment or agencies like the Environmental and Technology Centre to work with the provinces, territories and other interested parties to develop technical and business expertise in the area of environmental clean-up of contaminated sites;
- communicate the important role federal agencies play in being good corporate models for the private sector and the need to establish best practices for federal agencies operating in local communities.

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Summary Remarks

The federal government has a responsibility to be involved in the transition and recovery process. Active federal participation, in collaboration with the actions of other levels of government and departing industry, plays an important part in managing the transition of remote communities from being dependent on a single resource industry to becoming vibrant communities with new economic opportunities. Because federal policies and actions can directly cause or contribute to community decline, more must be done to anticipate the impacts of federal decisions and to put consultations and mechanisms in place to address the negative impacts of policy changes.

It is difficult to determine from this analysis to what extent the federal government assisted community recovery. The analysis does indicate that there are opportunities to improve federal government involvement in community transition. Continued collaboration with other levels of government and third parties, as well as significant levels of transition funding where warranted and other means of support, are equally important in most instances. Also, the analysis indicates that there are outstanding federal government responsibilities regarding the clean-up of sites contaminated by federal agencies which need to be addressed if the communities are to be able to develop new economic opportunities.

Role of the Provincial and Territorial Governments

In recent years, leaders and residents of resource-dependent communities have begun to expect greater guidance and support from the provincial and territorial level of government when they are challenged with a closure crisis. These governments have also proved willing to actively participate in transition management because they recognize their jurisdictional responsibilities for communities within their borders.

Provincial and Territorial Governments' Response to Community Crisis

Each case study shows that the provincial or territorial government was actively involved in the transition management of remote, resource-dependent communities facing industry closures. In 15 of these cases, provincial or territorial actions are continuing; however, in Great Harbour Deep, NL the provincial government made the difficult decision to shut down the community, after the community requested this because there were no other solutions. The range of provincial and territorial governments' actions is summarized below:

Provincial or Territorial Involvement in Community Transition	Community Examples
participated in collaborative task forces for economic development strategies	Canso, NS; Great Harbour Deep, NL; Inuvik, NT; Bishop's Falls, NL; Ogema, SK; Meadow Lake, SK; Tahsis, BC
established and/or funded collaborative economic development initiatives	Meadow Lake, SK; Murdochville, QC; Pinawa; MB; Grande Cache, AB
provided transition funding and services	Elliot Lake, ON; Faro, YK; Meadow Lake, SK; Murdochville, QC; Tahsis, BC; Grande Cache, AB
funded job creation, training and counselling initiatives	Canso NS; Meadow Lake, SK; Murdochville, QC; Grande Cache, AB
used community grants and/or revenue reallocations to provide funding	Faro, YK; Granisle, BC; Tumbler Ridge, BC
ensured worker protection and benefits	Faro, YK
encouraged regional collaboration	Canso, NS; Tumbler Ridge, BC; Ogema, SK
provided rebates on provincial corporate taxes as incentives to industry	Bishop's Falls, NL
Provincial or Territorial Involvement in Community Transition	**Community Examples**
provided low-cost or no-cost access to unserviced lands	Bishop's Falls, NL
provided some funding for and/or supported local buyout of industry	Meadow Lake, SK; Ogema, SK
provided funds for industrial parks	Murdochville, QC; Bishop's Falls, NL
closed community and relocated residents	Great Harbour Deep, NL

This table is for the purpose of illustration only. Some case studies may not have highlighted a particular actor's participation in the type of activities listed here.

Closure Notice

An examination of the case studies revealed only minimal liaison between the departing industry and the community's provincial or territorial government. Most industries gave little or no public warning about closure and did not involve the provinces or territories in the decision prior to a closure announcement. As a result, the provincial and territorial governments were unable to anticipate the impacts of closure or to put measures in place to lessen these impacts.

Service Delivery

After an industry closure was announced, most provincial and territorial governments maintained existing levels of services such as health care, education and social services for months or even years before adjusting them to meet the community's changing demographic needs. In these cases, services were usually scaled back to match population declines. In some cases, services such as counselling and mental health were enhanced and regional service centres established. In the single case study where community closure occurred (Great Harbour Deep, NL), the provincial government made the decision after recognizing that access problems prevented the provision of normal service levels, particularly health services, and determining that relocation costs would be less than costs related to continuing services over many years. As well, they made the decision with the consent of the community's leaders and residents. Provincial and territorial governments consider community closure only when it is in the best interests of the community, its residents and the local, provincial or territorial government.

Transitional and Economic Development Funding

Some provincial and territorial governments were very proactive in providing grants to ensure balanced budgets and provide funding for economic development projects. Communities such as Murdochville, QC and Bishop's Falls, NL were able to attract small and medium size businesses and both secured land for industrial parks through the efforts of their respective provinces. Some provinces and territories partnered with the federal government on economic development to expand available funding, as in Murdochville, QC. Other case studies revealed no evidence of direct provincial funding to support communities through the transition period or to seek economic renewal.

Debt and Tax Relief

Some provinces provided municipal debt relief while others provided tax incentives to attract new businesses. Tax incentives through corporate tax rebates or relief successfully attracted small and medium scale businesses to Bishop's Falls, NL allowing it to evolve away from being a railway town to becoming a leader in the province's light manufacturing industry.

Counselling and Training

Some provincial and territorial governments provided counselling and training for displaced workers. For example, Alberta funded the Grande Cache Workforce Adjustment Project designed to help displaced workers write resumes, conduct job searches, research labour markets and attend specialized training courses. As a result, many displaced workers rejoined the workforce, sometimes in new industries within the community as the economy developed, and sometimes in different communities.

Collaboration

The case studies demonstrated that collaboration between the provincial or territorial government and other governments and actors played a significant role in moving communities towards recovery and sustainability. The establishment of transitional teams brought together key actors and coordinated their efforts. Tumbler Ridge, BC is a good example of inter-governmental collaboration through a community revitalization task force established early in the process, allowing a coordinated transition.

In some of the case studies, it appeared that inter-governmental partnerships needed to be coordinated better to improve service delivery, as in the cases of Elliot Lake, ON and Pinawa, MB. In other cases, individual departments moved towards a common goal independently without, perhaps, carefully considering the concerns and the desires of the community. As well, greater advance coordination with industry would have allowed the provincial and territorial governments to prepare for the impacts of the closure.

Regional Approach

Industry closures in remote communities often impact whole regions as well as individual communities, particularly when the closing resource industry extracts its resources from a general location, as in fishing, forestry and agriculture. In several communities, such as Canso, NS, Tumbler Ridge, BC, and Ogema, SK the provincial governments encouraged municipalities facing industry closure to address their shared economic and service delivery challenges on a region-wide basis. While some communities are so remote that a regional approach is impossible, coordinated collaboration between communities allows these municipalities greater potential to share costs and management expertise, develop economic strategies that attract new businesses and residents, and support regional sustainability.

Relocation Assistance

Community closure and relocation assistance for residents is usually the last resort for the provincial and territorial governments as they deal with remote communities in transition. However, sometimes it is in the best interests of local residents, the local government and the provincial or territorial government. Such was the case with Great Harbour Deep, NL. In this case, factors favouring relocation included: near-unanimous local support for closure, the community's extreme isolation and the resulting lack of economic options, the aging population, access problems that made service delivery difficult, and the prohibitive costs of maintaining provincial services, even at minimum levels.

Provincial and Territorial Governments' Best Practices for Transition Management

Pre-closure Best Practices

- develop plans and appropriate legal frameworks that provide municipalities with greater flexibility in the way they operate so that they can be more responsive to economic crises;
- provide provincial or territorial funding and other forms of support, like consultation and advice to resource-dependent communities with a high risk of industry closure, to develop economic plans well in advance of industry closure;

- encourage municipalities to work together on a regional basis, wherever possible, to find joint solutions and capitalize on regional strengths and opportunities;

- enhance communication with industry and work towards arrangements with industry and the community concerning the process to be followed in the event of a closure; this process should include consultations with all affected parties prior to closure to allow transitional planning.

Immediate Transition Best Practices

- empower local governments to lead the development and implementation of transition plans to transform their administrative and local service functions and channel appropriate human and financial resources to facilitate the transition;

- work with the federal government and local communities on a regional basis to explore economic development opportunities;

- continue to provide or adjust services to provide appropriate levels of transition and economic development funding, debt relief, revenue replacement, counselling and training, and collaboration with all actors;

- provide municipalities with tools such as flexible and empowering municipal legislation, financial, administrative and communications support, and guidance;

- where municipalities already have empowering tools, provide guidance and support so that these tools can be used to their full potential;

- survey assets, such as crown lands, land use rights or licenses, to determine opportunities for transferring them to communities where this transfer would improve the community's economic and social capacity.

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Long-term Best Practices

- continue provincial or territorial involvement in economic development authorities, committees or corporations so that they play a role in revitalizing regions/communities that are going through economic decline and transition;

- consider community closure when it is in the best interests of the community – as determined collaboratively by the community and the provincial or territorial government.

Provincial and Territorial Governments' Role in Encouraging Provincial and Territorial Best Practices

With jurisdictional authority for municipalities, provincial and territorial governments are committed to supporting remote communities facing transition because of an industry closure. They have had a high level of involvement in all communities studied, but with varying degrees of effectiveness. To do better, provincial and territorial governments could:

- monitor current and economic trends closely to anticipate closures and to identify communities impacted by broader national, provincial, territorial or regional policy decisions;

- support collaboration between all levels of government more strongly;

- become more proactive and set in place strategies, mechanisms and programs that will minimize the economic and social difficulties communities and workers face upon closure;
- begin discussions and liaison with local governments, industry and community actors before the transition is anticipated;
- develop strategies to address the issues commonly shared by remote communities specifically.

Summary Remarks

Active provincial and territorial government involvement is important at all stages of community transition. It is especially important that the provincial and territorial governments become more proactive by anticipating closures and setting strategies and programs in place to cushion the immediate impact of a closure while preparing for a sustainable recovery. Equally, provincial and territorial governments should not act alone, but should collaborate with other levels of government, the departing industry and community organizations to manage the transition. The case studies show that temporarily retaining provincial services following a community crisis can be critical in the transition and recovery period. In general, provincial and territorial governments should consider the need to provide support in at least these six areas: debt relief and short term revenue replacement; service delivery; transitional and economic development funding; counselling and training; collaboration with other levels of government, industry and actors; and relocation assistance. This level of government should consider community closure when this action serves the best interests of the residents of the community and the provincial or territorial government.

Role of the Local Government

Modern rural, resource-dependent communities are no longer company towns owned and operated for the exclusive benefit of industry. The relationship between communities and industries has evolved so that communities function as independent municipalities that expect to benefit from industry operations while supplying the industry with a labour force. These communities no longer expect to become abandoned ghost towns once industry operations cease; they expect to remain sustainable. However, this evolution remains incomplete because most of these communities still depend primarily on a single industry for jobs and, in some cases, taxation revenues. Most have very few other economic activities, meaning that resource industry closures continue to devastate them.

Like all other actors involved in supporting the recovery of resource-dependent communities from industry closure, local governments have been almost universally caught off-guard and unprepared by an industry's closure. However, local governments are usually the first level of government to become actively involved in managing community transition because they are the most directly affected and have the unique, on-the-ground ability to liaise with, and ensure effective communication between, the departing industry, its former employees, local businesses and citizens. By taking a lead role in managing community transition, local governments can complete the community's evolution from resource-dependence to new economic ventures.

Local Government Response to Community Crisis

Local Government Involvement in Community Transition	Community Examples
participated in collaborative task forces for economic development strategies	Canso, NS; Great Harbour Deep, NL; Inuvik, NT; Bishop's Falls, NL; Ogema, SK; Meadow Lake, SK; Tahsis, BC; Tumbler Ridge, BC
developed economic strategies to create jobs and attract new businesses	Canso, NS; Elliot Lake, ON; Bishop's Falls, NL; Logan Lake, BC; Tahsis, BC; Tumbler Ridge, BC; Grande Cache, AB
collaborated with all levels of government, private industry and actors	All
established a steering committee, advisory board or society to manage transition	Granisle, BC; Tahsis, BC; Tumbler Ridge, BC ; Uranium City, SK; Ogema, SK; Faro, YK; Grande Cache, AB
early leadership	Most
developed tourism businesses and facilities	Bishop's Falls, NL; Canso, NS; Inuvik NT; Logan Lake, BC; Tahsis, BC; Tumbler Ridge, BC
obtained control of industrial park or former industrial facilities	Bishop's Falls, NL; Canso, NS; Murdochville, QC
developed utilities	Canso, NS; Bishop's Falls, NL
converted existing businesses or facilities to accommodate new enterprises	Inuvik, NT; Ogema, SK; Tahsis, BC; Tumbler Ridge, BC
provided municipal property tax incentives and relief to attract industry	Bishop's Falls, NL
developed strategy, housing and incentives to attract retirees	Elliot Lake, ON; Faro, YK; Tahsis, BC; Tumbler Ridge, BC
promoted infrastructure capacity to attract residents	Logan Lake, BC; Pinawa, MB; Elliot Lake, ON; Tumbler Ridge, BC
adopted Official Community Plan	Bishop's Falls, NL; Faro, YK; Murdochville, QC
stabilized municipal taxes, costs and services	Bishop Falls, NL; Meadow Lake, SK; Grande Cache, AB; Tumbler Ridge, BC; Logan Lake, BC; Elliot Lake, ON; Tumbler Ridge, BC; Tahsis, BC
adapted mill rates to adjust residential tax revenues with provincial assistance	Grande Cache, AB; Meadow Lake, SK
reduced or eliminated municipal debt	Granisle, BC; Tumbler Ridge, BC
extended municipal boundaries (before or after closure) to add industrial lands to tax base	Logan Lake, BC; Tumbler Ridge, BC
cut services	Granisle, BC; Uranium City, SK
lobbied for improved services	Granisle, BC
engaged media support during and after crisis	Logan Lake, BC; Tahsis, BC; Tumbler Ridge, BC; Elliot Lake, ON

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Local Government Involvement in Community Transition	Community Examples
communicated positive attitude to residents	Faro, YK; Canso, NS; Inuvik, NT; Logan Lake, BC; Bishop's Falls, NL; Meadow Lake, SK; Ogema, SK
provided in-kind support to workers	Grande Cache, AB
sponsored workshops, trade shows	Bishop's Falls, NL
held closure vote or referendum	Great Harbour Deep, NL; Murdochville, QC

This table is for the purpose of illustration only. Some case studies may not have highlighted a particular actor's participation in the type of activities listed here.

A review of the case studies revealed that the role and actions of local governments are unexpectedly consistent. Despite the broad range of geographic regions and industry types represented in the case studies, they reveal similar patterns of action. Specifically, most local governments:

- did not engage in formal pre-planning for closure to ensure the community's sustainability;
- showed local leadership and mobilized quickly to respond to closure announcements;
- took steps to manage the impact of closure on their municipal operations; and
- collaborated with other levels of government or other organizations at some point in their transition, often to secure funding to support community economic development activities.

Pre-closure Planning

Only one local government, Faro, YK, engaged in pre-closure planning by developing an Official Community Plan to address over-reliance on a single industry for jobs or tax revenues. Despite warning signs signalling the possibility of permanent closure (lay-offs, selling of industry assets or slowdown in industry operations) no other local government had a formal action plan ready to deal with impacts associated with a permanent closure. However, some local governments did participate in regional economic development organizations involving all actors prior to closure.

As noted in five cases but likely experienced in most, the closure announcement had an immediate and negative impact on municipal taxation revenue. For example, the Elliot Lake, ON mine closure effectively eliminated most of the city's industrial assessment, resulting in a 50% increase in residential property taxes. Pre-closure planning to diversify the tax base could have reduced this hardship by expanding the industrial property tax base beyond a single major industrial employer and, as a result, placing a smaller property tax burden on local residents.

Early Local Reaction and Leadership

In most case studies, elected officials provided early, strong local leadership. The municipal council usually boosted community morale and provided a sense of direction by stating publicly that the community was 'here to stay' and would weather the economic crisis. For example, in BC, the Logan Lake council approached television networks to cover the story of opportunities available in the community. This news story resulted in the sale of some homes to retirees and commuters. Similarly, the determination of the leadership in Faro, YK contributed to community pride and united resolve to survive. This suggests that council's leadership and enthusiasm can make a real impact on a community's survival and recovery.

Many local governments supported specific community objectives. In Meadow Lake, SK, the municipal council played an active role in negotiations to sell a part of the local sawmill to employees and a First Nation Tribal Council by freezing property taxes for 25 years. Similarly, the local government of Ogema, SK led the drive to buy the railway branch line and nearby grain elevators. Although strong leadership does not always lead to recovery, the resolution of the community crisis may be appropriate: in Great Harbour Deep, the municipal council took decisive actions to lobby the Newfoundland and Labrador government to close the community and provide relocation compensation to its residents. Because the decision had unanimous community support, even this outcome can be viewed positively.

Collaboration with Other Governments and Organizations

In all cases, local governments collaborated with all levels of government and relevant Crown Corporations and, sometimes, with industry to support the community transition process, find replacement industries or, in the case of Great Harbour Deep, NL to close the community. In one case, Murdochville, this collaboration was reluctant at first, but after the referendum and the decision by the Québec government not to close the town, the local government actively engaged in the process with other governments and organizations.

In eight case studies, local government actions became the catalyst needed to engage the provincial or territorial government, and the federal government to put a community transition framework in place with funding from both levels of government and, often, from industry. These frameworks varied from providing significant long-term resources under multi-year transition plans (Tumbler Ridge, BC) to community closure (Great Harbour Deep, NL). In Pinawa, MB where the federal government led the initial transition process, local government had petitioned successfully for support and became more involved when federal transition efforts stagnated because of bureaucracy that hindered local initiatives. Collaboration most often resulted in funding for economic development, worker support and retraining, and the continuation of services. Collaboration also resulted in support unique to specific communities, such as the sale of local homes (Faro, YK), support for a railway line purchase (Ogema, SK) or an investment in a local sawmill (Meadow Lake, SK).

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Regional Approach

Some communities have the advantage of being located close to other small communities that depend on the same resource industry as they do. Although these case study communities were hit hardest by industry closures, the impacts of closure echoed out to the surrounding communities in the region as well. The case studies of Canso, NS, Tumbler Ridge, BC, and Ogema, SK were notable because these communities took advantage of their proximity to similarly affected communities to share service delivery costs and develop joint economic strategies that benefited whole regions beyond their individual communities. Although this regional collaboration would be very difficult in truly remote communities, it remains a powerful option for many. Other tools can also be used in remote areas, like regional forms of governance and regional scale revenue sharing from resource development.

Adjusting Municipal Operations

Evidence available in the case studies indicates that most local governments developed strategies to manage their local challenges, although details were not always provided. Six case studies specifically refer to raising property taxes to compensate for lost industrial taxation revenues and/or reducing municipal operations and services because of lost revenues.

In six cases, the local government addressed challenges by adopting specific measures to stabilize municipal revenues. For example, Bishop's Falls, NL lobbied for and got tax incentives of 100% rebates on provincial corporate income taxes and 50% rebates on federal taxes for up to 15 years to attract new commercial investment to help rebuild their assessment base. Grande Cache, AB adopted a split mill rate to shift property tax between various classes of property and was permitted by amendments to provincial legislation to give property tax rebates, thus reducing its tax rate on the hardest hit residential category. In other cases, the provincial government supported the local government in addressing municipal challenges. For example, under a special financial arrangement with British Columbia, Tumbler Ridge paid off its outstanding debenture debt.

Some communities have been fortunate enough to forestall the need to adjust their tax base or services because the departing industry continues to provide property tax revenues. For example, in Pinawa, MB, AECL continues to pay its grant-in-lieu, which constitutes 50% of municipal revenues. However, unless the local government begins to make meaningful efforts to reduce its reliance on this income, it will face the shock of reduced revenues when the grant-in-lieu ceases.

Local Government's Best Practices for Transition Management

Pre-Closure Best Practices

- while local industry is still strong, make plans to develop the local economy and mobilize the local community to participate in that process;
- provide front-line leadership to determine the community's most sustainable future direction and to coordinate planning and collaboration to achieve community goals;
- recognize that all resources can become uneconomical or can be exhausted, and work with industry throughout its operations to plan ahead for eventual closure;
- build on community strengths and hidden talents within the community to attract industry and business;
- by attracting new and different commercial and industrial interests, find ways to reduce tax reliance on a single industrial tax payer;
- explore new approaches such as partnership opportunities with neighbouring municipalities and/or First Nations and aboriginal groups;
- restructure services to reduce the costs of municipal operations, pay down capital debt and hopefully build up surpluses and reserves to help manage through transition.

Immediate Transition Best Practices

- strive to deliver services at a reasonable cost and with minimum impact to ratepayers with the same vigour as efforts to attract and retain new business and residents;
- communicate positive messages during transition that the community is struggling but resilient;

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- collaborate with other levels of government and organizations to put appropriate supports in place and to leverage resources;
- work on a regional basis to capitalize on regional strengths and share service delivery costs.

Long-Term Transition Best Practices

- continually review and revise municipal budgets to reflect changes in population, demographics and tax base;
- investigate region-wide opportunities, including restructuring, to deliver services more efficiently and create a regional identity;
- develop practical strategies to support transition management by updating strategic plans to enhance the community's social, economic or physical base;
- engage in periodic surveys or other processes to find out what residents value in their community and what their specific service needs might be - these processes can also help municipal councils find out about possible 'hidden talents' of new residents attracted to the community.

Provincial and Territorial Governments' Role in Encouraging Local Government's Best Practices

With legislative responsibility for local governments, provincial and territorial governments play a vital role in encouraging responsible local government actions. Provincial and territorial governments can better support transition management at the local government level by doing more to:

- press for continued municipal leadership before and after the transition event;
- provide local governments with the powers, mechanisms and revenue options needed to contribute to economic development, become more self-sufficient and address the economic and social difficulties communities and workers face upon closure: more flexibility in local taxation, freedom to establish new fees, freedom to enter into new arrangements for providing services, flexibility in long-term borrowing power, and the ability to establish commissions/corporations as they see fit to promote new economic development;
- keep local governments apprised of economic trends and policy decisions that may impact them or cause industry closures and include them in discussions about policies that may affect them;
- identify communities impacted by broader national or regional policy decisions and encourage them to pre-plan for potential industry closure;
- encourage proactive planning to prepare for possible industry closures;

- develop region-wide strategies to address issues shared by resource-dependent communities and facilitate communication links between communities impacted by similar economic or social circumstances;
- maintain provincial and territorial service levels to communities affected by closures until the local economy stabilizes;
- support collaboration and partnerships between all levels of government more strongly;
- share more information with local governments about strategies and specific actions that ease community transition.

Summary Remarks

Local governments cannot and do not act alone but they do play a central role in managing a community's transition from dependence on a sole industry to reliance on other economic ventures. Because local governments are in the best position to lead the community at all stages of the transition, they must develop and exercise their strengths in leadership before a crisis occurs since this capacity will not materialize on short notice.

Local governments must show their leadership by initiating a transition process long before industry closure, developing their transition and recovery plans before a crisis occurs. They must do this by dealing quickly with a major blow to the local tax base while adjusting service delivery levels, community assets and infrastructure at a cost that is still affordable. Ultimately, local governments carry the responsibility of trying to recover lost jobs through economic development. Although the vital role of local governments in managing transition and recovery is undeniable, their success cannot be measured in isolation from circumstantial factors, such as geographic location, and the package of actions taken by all other actors involved in the transition. Despite their front-line leadership role, local governments can often lack the human and financial resources to manage all of the impacts of industry closure independently. As a result, much of the local government's leadership is directed toward gaining assistance from the departing industry and collaborating with other levels of government and community groups to coordinate and manage the transition process. Cases where local government leadership has been lacking or ineffective may be the result of the fact that there were no viable actions that could be taken to secure the community's future or because the community lacked the leadership capacity to manage change.

Role of Departing Industry

Often in the past, when resource industries shut down in company towns, they moved on without providing any significant support to workers or their communities. Today, the legislative framework to protect workers and the environment is stronger. However, industries continue to shut down without adequate warning and the communities and workers have higher expectations about the role these industries should play in the transition process. Some industries demonstrate a strong sense of corporate responsibility by going beyond their legal obligations (labour law and environmental regulations) and providing financial or in-kind resources to the community or continuing to pay property taxes. Others may lack this sense of responsibility or cannot act on their community commitments because they face difficult financial circumstances or have gone bankrupt.

Range of Actions Taken by the Departing Industry

Private Sector Involvement in Community Transition	Community Examples
provided advance notice of closure	Uranium City, SK; Murdochville, QC; Bishop's Falls, NL; Ogema, SK
generous severance and/or worker relocation packages	Pinawa, MB; Murdochville, QC
provided funds for job retraining	Granisle, BC; Tumbler Ridge, BC
continued to pay property taxes or payments-in-lieu of taxes in the short term (not forever)	Tahsis, BC; Logan Lake, BC; Canso, NS; Murdochville, QC; Pinawa, MB
bought back housing at full or partial pre-closure values	Murdochville, QC; Logan Lake, BC; Pinawa, MB
transferred housing stock to municipality	Faro, YK; Tumbler Ridge, BC
sold assets to local leaders and/or employees	Meadow Lake, SK; Ogema, SK
undertook environmental clean-up as obligated under provincial legislation	Murdochville, QC

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Notice of Closure

With the exception of a few towns like Inuvik, NT most communities faced a crisis with the formal announcement that the major industry would close. In most cases, the departing industry made the closure announcement without warning and the closure was immediate. In Tahsis, the mill was shut down without warning, but no formal announcement of the industry's intention not to reopen was given for two years, leaving some in the community hanging onto a vain hope that the mill might re-open. Notable exceptions to the lack of warning include Uranium City, SK where the mining company gave seven months notice to allow families to complete the school year. Where warning was given, as required by law and, as in the case of railway towns of Ogema, SK and Bishop's Falls, NL corporations gave at least a year's notice. Murdochville, QC could also be considered to have been given advance notice because of its gradual but inevitable three-year shut-down of operations.

Even when notice was given, the announcement shocked disbelieving communities. In fairness, however, departing industries should not be held solely accountable for the surprise of the closure notice. Most communities that found themselves unprepared could have paid more attention to the early warning signs of possible closure, such as a history of sporadic operation, falling resource market prices, and news reports of depleted resources or changing government policy. Only Uranium City, SK had no clear warning signs of closure: the federal government made $100 million in investments over the previous five years and then suddenly stopped mining operations. Despite warning signs, communities hoped their only major industry – and the property tax revenues it often provided – would continue indefinitely, or that closures would be short-term rather than permanent. As a result, they did little transition planning for the economic crisis, possible loss of taxation revenues, social upheaval and emotional trauma caused in the community when closure finally came.

Employee Support

Support to employees varied widely across the 16 case studies, ranging from none to generous severance pay, retirement packages, 100% home buyouts, retraining and job placement services.

Severance and Benefits

Few details are available on severance and benefits packages, but it would be reasonable to assume that workers received the minimum legally required either by government regulations or by union agreements. Crown Corporation AECL in Pinawa, MB is known to have offered generous severance and early retirement packages, and also had the opportunity to relocate workers to atomic facilities in eastern Canada.

Training and Job Placement

The industry record in job training and placement from the case studies is negligible. Only a few departing industries were noted for providing training or job search assistance. For example, in Granisle, BC the departing mine's employee placement plan successfully found new jobs for half of its former employees. In Tumbler Ridge, BC the departing mine offered job training, including innovative training for hard-to-place older workers, and job search programs. In Logan Lake, BC many miners stayed in the community by transferring to the one mine that remained open.

Housing

The departing industries handled property owned by its workers in different ways.

In Pinawa, MB workers were offered home buyouts at 100% of their pre-closure value, while in Murdochville, QC workers were offered 65% of the homes' values as assessed prior to the closure announcement. In Logan Lake, BC the mine had offered subsidized mortgage packages and a buy-back scheme, but the low dollar value of the buy-backs enraged many home-owners. In fishing communities like Canso, NS or in railway communities like Bishop's Falls, NL and Ogema, SK no housing assistance was offered.

Community Collaboration

Almost universally, departing industries' channels of communication with the communities and their employees prior to the closure announcement were poor to non-existent. Poor communication made the shock of the closure announcement greater than it would have been had the company's intentions been made known.

Collaboration with the community after the closure announcement varied according to the corporate culture and the industry's financial state. Those industries that have continued to pay property taxes (Tahsis, BC, Murdochville, QC) or grants-in-lieu of taxes (Pinawa, MB) for a few years after closure have provided crucial community transition support, allowing local governments time to adjust to new revenue and service delivery levels caused by closure.

In Tumbler Ridge, BC where the mining company owned the housing stock, the company made an arrangement with the Canada Mortgage and Housing Corporation (CMHC) to transfer houses to the town, allowing the local government to resell houses to new residents and support community stability. Others (Faro, YK) sold housing stock to municipalities that were then able to re-sell the housing to retain and attract residents to the community.

A few departing industries (Meadow Lake, Ogema, SK) sold their industrial assets to local buyers, allowing communities to continue deriving revenues and jobs from the industry under new management. In

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Murdochville, QC the departing mine transferred land and buildings so that the town could establish an industrial park. In a few cases, such as Uranium City, SK the departing industry undertook the continued operation of hydro facilities to keep the town functioning. Small companies (Canso, NS) or companies that were forced into receivership (Faro, YK) were unable to offer any support to their communities.

Environmental Obligations

The need for environmental reclamation work has been greatest when the departing industry has been involved in non-renewable resource sectors, such as mining, or the nuclear industry. In these sectors, the environmental record of departing industries has been poor, with the exception of Murdochville, QC where the departing industry is required to spend $30 million to close down the mine and smelter to adhere to environmental laws and regulations. At the other extreme, when the mine in Faro went into receivership, it was unable to provide the $50-200 million required for environmental reclamation, leaving the government to find the funds. In Uranium City, SK, Elliot Lake, ON, and Pinawa, MB – all associated with the nuclear industry – plans for the safe disposal and storage of radioactive material are ongoing but environmental concerns around radioactive wastes remain and hinder community transition.

The high costs of environmental reclamation mean that even companies with the financial resources available will not undertake such projects unless forced to do so by environmental laws and regulations.

Relationship with Replacement Industries

Only where the departing industry was at least partially owned by a federal or provincial government has the departing industry sold assets to community investors (Meadow Lake, Ogema, SK) to allow the industry to continue in a modified form. Similarly, none have been involved in pursuing start-up opportunities within the same industry and community, even though other companies have become interested in new projects in nearby but new locations (Tumbler Ridge, BC, Grande Cache, AB).

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Industry Responsibilities

Modern social expectations of industry hold that they should take responsibility for the communities they leave. However, it should be noted that industries continue to function under the profit motive with top priority given to maximizing their owners' or shareholders' financial return. As a result, they have varying senses of responsibility for the welfare of their former employees and host communities, as demonstrated by the varying levels of financial, worker adjustment and community transition support provided. The case studies appear to suggest that most industries functioned as though their corporate citizenship ended after they provided legally required severance, retirement packages and housing buybacks to their workers. Few industries acknowledged a larger obligation to the community-at-large near where they were located. Industry owners that did have a sense of responsibility tended to express this financially by agreeing to continue paying property taxes for a limited term or by transferring industrial or housing assets to the community.

Environmental reclamation tends to be the area where departing companies are the most reluctant or unable to take action, usually because of the high financial costs of such projects. In most cases, community and industry leaders neglected to communicate or reach an agreement on expectations around decommissioning industrial sites prior to closure. Unless required by law to rehabilitate industrial sites, industry has tended to avoid or ignore this responsibility.

None of the departing industries has become involved in economic diversification into unrelated industries or in projects to open new operations within the same industry sector. This is likely because industries retain the view that their responsibilities end at worker compensation and that economic diversification is the responsibility of government and the marketplace.

Response Capacity

The level of support provided varies according to the financial depth, ownership and public profile of the departing industry. Crown corporations, such as AECL in Pinawa, MB have deeper pockets than many small industries as well as a reputation for good governance to uphold. As a result, it is more likely that they will provide well for workers and community transition. Other government-run initiatives, such as the provincially-owned sawmill in Meadow Lake, SK have a vested interest in ensuring that a local community survives. International corporations, particularly those that deal in consumer products like oil and gas, have both the financial resources to provide to communities and a public image to protect. This leads them to make greater investments in post-closure community transition. Small companies, companies that go into receivership or those without public profile are the least likely to provide community recovery support.

Departing Industry's Best Practices for Successful Transition Management

Pre-Closure Best Practices

- recognize that it cannot ignore its own dominance of the local economy and develop a culture of community responsibility and leadership during prosperous years so that this culture is continued in the event of an industry closure;
- where market conditions and the proprietary nature of industrial operations allow, provide maximum warning of closure through formal notice to minimize shock and allow communities time to adapt to changes;
- because most resource industries have a naturally limited life cycle, should work with community leaders to plan in advance for resource depletion and industry closure;
- ensure ongoing communication between the industry and the community prior to, during and after closure;
- establish clear mechanisms for industry supports, such as retirement packages, home buyouts, severance, training and relocation, well before closure to ease transition and manage worker expectations.

Immediate Transition Best Practices

- improve communication through ongoing, formal industry/government interaction and liaison;
- recognizing that some workers will leave the community, provide generous severance, home buyout, relocation, retraining and job placement services to increase the likelihood workers will find employment elsewhere or remain in the community and contribute to social and economic stability;

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- where industry owns the housing stock, mechanisms should be put in place to transfer this to the community;
- ensure that industry support to workers and the community are delivered as planned;
- transfer beneficial capital assets, such as industrial land and equipment useful to local businesses, individuals and organizations, to the community to provide a legacy that strengthens that community's economy.

Long-term Best Practices

- address the environmental hazards and aesthetic impact of industry activities on communities, particularly for industries involving radioactivity, chemical wastes, open pit mining and clear cutting;
- return industrial lands to a natural or re-useable state in unsettled areas as far as practical.

Provincial and Territorial Governments' Role in Encouraging Departing Industry's Best Practices

The case studies clearly demonstrate that good corporate support for transition smoothes the process while poor support adds to the transition management challenge. The provincial and territorial governments can do much to secure better support from industry both before and upon closure to minimize upheaval in the community and to reduce the costs to local and senior levels of government who will bear the ultimate responsibility for managing community transition. Among the ways to ensure this, the following could contribute to the smooth management of community transition:

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- ongoing liaison with industries to ensure open lines of communication;
- track long-term global, market and policy influences to anticipate the impact of industrial sector downturns and company closures on resource-dependent communities and work with them proactively to provide appropriate levels of support;
- anticipate the impact of market forces and industry closures on communities and engage in ongoing communication with them to develop trust and a shared vision for the community's future;
- encourage industry to accept that it has a duty to initiate and maintain close contact with community leaders early on in the life cycle of their company, and should adopt an ongoing culture of corporate responsibility to workers and their communities;
- establish appropriate environmental laws and regulations to ensure adequate site reclamation after industry closure;
- encourage municipal and industrial collaboration early on in the lifecycle of an industrial operation for establishing a trust fund/reserve account for transition purposes; the mining industry in BC and in North America has given serious consideration to this issue as part of an effort to make their operations more holistically sustainable.

Summary Remarks

The case studies suggest that industry support for transition, although helpful and important, is not the determining factor in a community's ability to manage transition. The studies show that industry has a limited responsibility for smoothing community transition and that local and senior levels of government have a larger role to play. At best, industry can aid transition management, but its participation in this task will not be the deciding factor. The departing industry is best engaged in community transition and recovery before a crisis or shutdown occurs, at a time when it is able to use its strengths to collaborate with the community and all levels of government to develop a community transition plan in the event of an eventual industry closure. By developing a culture of community responsibility early and demonstrating it continuously, industry can ensure it will support the community through its transition to sustainability.

Role of Community Organizations

Because remote and rural communities have a long history of self-reliance, they depend on unique combinations of local groups to add to community resources and boost community morale during times of transition. However, the role of other actors in community resiliency and transition is less well defined than other sectors because this diverse group includes unions, First Nations and aboriginal organizations, Community Futures Development Corporations, business groups like Chambers of Commerce and community organizations like tourism boards and churches. All have different goals and different levels of involvement. As well, the case studies provided little information on these organizations.

Unions

Some resource industries, particularly mining, employ a labour force drawn from unions that form a strong presence in the community. Unions play an important role in negotiating collective agreements that could determine the conditions of transition after closure. For example, they can focus simply on protecting workers through mechanisms like home buyout and relocation packages or they can negotiate broader benefits that ensure community sustainability. These unions are active in the immediate response to a crisis event, as in Grande Cache, AB where the union assisted mine workers to get their final pay cheques. However, in the absence of the local industry, the local union chapter ceases to exist and cannot be relied upon for long-term transition support.

Aboriginal Organizations

Many northern and remote communities benefit from the active participation of aboriginal organizations and First Nations in community issues. Especially in areas with a large aboriginal population, aboriginal organizations often have a pronounced involvement in transition planning because they often deliver municipal-type services and programs. They may also be the main economic force in an area. In Inuvik, NT the Inuvialuit Regional Corporation and the Gwich'in Development Corporation were instrumental in developing the local economy through investments in local businesses and regional industries, including transportation, construction, airlines and tourism activities. They worked in tandem with other community groups, including the Chamber of Commerce, to support Inuvik's recovery from a slowdown in oil and gas exploration. In Meadow Lake, SK employees of the lumber mill and the Meadow Lake Tribal Council joined together to purchase the lumber mill to save 300 jobs, establish a state-of-the-art zero-effluent pulp mill and create dozens of spin-off companies.

Community Futures Development Corporations

Community Futures Development Corporations are federally funded but independent grassroots organizations dedicated to community driven economic renewal initiatives. They provide their communities with a variety of services including business development loans, technical support, training and information. They also involve themselves in a wide array of community initiatives, including strategic planning processes, research and feasibility studies, and the implementation of a diverse range of community economic development projects.

Chambers of Commerce/Tourism Boards/Others

Local business groups and coalitions often support communities in transition through directed and strategic business development. A strong Chamber of Commerce may create and coordinate business opportunities in a region for a wide array of industries. Many rural communities look to tourism organizations to develop new business opportunities by taking advantage of remote and scenic locations.

Universities/Colleges

Out of all case studies, only Inuvik, NT and Elliot Lake, ON have a college located within municipal boundaries. Most resource-dependent communities are located some distance away from colleges and universities. However, these institutions can play a vital role in providing skills and job training to local residents through satellite programs in the community. For example, in Tumbler Ridge, BC Northern Lights College provided counselling to displaced workers and the University of Northern British Columbia conducted a survey to track demographic changes and provide a context for community planning.

Churches and Other Groups

Churches, charities and clubs in resource-dependent communities can play an important role after an industry closure. Primarily, they can support unemployed workers through practical services, such as food banks, or by providing counselling and emotional support. For example, a church in Tahsis, BC provided food bank services to that community.

Range of Actions Taken by Community Organizations

As illustrated by the case studies, community-based organizations have taken the following actions:

Community Organizations' Involvement in Community Transition	Community Examples
set up, support a local food bank	Grande Cache, AB; Faro, YK; Tahsis BC
ensured workers got final pay and severance benefits	Grande Cache, AB
provided job counselling	Tumbler Ridge, BC

Community Organizations' Involvement in Community Transition	Community Examples
provided financial counselling	Faro, YK
cooperated and collaborated to start new businesses and sign business agreements	Inuvik, NT; Ogema, SK
aboriginal leadership in business development	Inuvik, NT; Meadow Lake, SK
industry buyout led by employees, local governments and/or aboriginal organizations	Meadow Lake, SK; Ogema, SK
provided bridge financing to unemployed workers	Grande Cache, AB
developed marketing campaigns to attract new residents	Grande Cache, AB; Faro, YK; Tahsis, BC; Elliot Lake, ON
developed tourism operations	Faro, YK; Canso, NS; Bishop's Falls, NL; Granisle, BC; Tahsis, BC; Tumbler Ridge, BC
developed light industry operations	Bishop's Falls, NL; Canso, NS; Inuvik, NT; Meadow Lake, SK; Tahsis, BC; Tumbler Ridge, BC

This table is for the purpose of illustration only. Some case studies may not have highlighted a particular actor's participation in the type of activities listed here.

Immediately following a closure or crisis event, community organizations may be able to mobilize a short-term response even before governments are able to take action. They are able to lessen the immediate financial and emotional effects of job loss, income reduction and other economic aftershocks. Unions are often key actors immediately after closure. In Faro, YK the United Steelworker's Union created a local food bank with the assistance of government funding and provided financial counselling and assistance to out of work families. In rural areas, services such as these may not have been previously established and the rapid organization of relief and support activities can help to ease transition and maintain community morale.

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Economic Renewal

After the initial crisis has passed, community organizations begin the work of economic rebuilding and direction. Although there is little specific information available in the case studies, analysts recognize that Community Futures Development Corporations, Chambers of Commerce and tourism organizations focus on improving the quality of life within the community and ensuring that it remains a safe and attractive place to live. The case studies show evidence that many communities benefited from significant private sector and community organization involvement in renewing the economy by attracting small businesses and light industry and by starting up tourism ventures, but provide little detail on who led these initiatives.

Collaboration

Collaboration between local community organizations serves communities in transition by building local confidence and unifying community spirit. Although usually relying on funding from different levels of government, the most successful community initiatives are able to make decisions independently and locally. The collaboration between the Meadow Lake Tribal Council, lumber mill employees and various levels of government to purchase the closed sawmill in Meadow Lake, SK is an outstanding example of successful collaboration between many community groups, industry and government.

Community Organizations' Best Practices for Transition Management

Pre-closure Best Practices

- active community organizations should take an instrumental role in developing local economies and strengthening community bonds.

Immediate Best Practices

- work to ease the closure crisis and plan for immediate financial and social assistance to the community;
- work to build community capacity and morale.

Long-term Best Practices

- participate in the development of business plans, new market opportunities and economic development strategies;
- aboriginal organizations might deliver services and programs and may act as the economic driver for an area;
- all community organizations work together to achieve community goals.

Provincial and Territorial Governments' Role in Encouraging Community Organizations' Best Practices

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Provincial and territorial governments could do more to encourage community organizations to become involved in transition management in resource-dependent communities by:

- providing appropriate levels of financial support to community organizations, particularly those in communities vulnerable to industry closure;
- allowing local organizations the freedom to take initiative, set priorities and make decisions without undue interference;
- including major organizations, such as aboriginal organizations, Chambers of Commerce, and Community Futures Development Corporations in consultations and planning processes around transition management and economic diversification;
- providing funding for initiatives that support short and intermediate term needs of newly unemployed workers, such as job training, food banks and bridging funding.

Summary Remarks

Recovery from an industry closure requires that a community display qualities such as strong leadership, cohesiveness, community spirit and adaptability. Non-government actors like community organizations are often instrumental in building these qualities as these groups are usually created by residents working for the benefit of their own community. Community groups play a valuable role in community transition, often as first-responders to immediate needs, such as food banks and short-term funding. The character of this response will be unique to each community and depend on the existing networks established between organizations.

Summary of Common Themes

Work Together Long before Industry's Closure Announcement

In all of the case studies, even in the few where advance notice of industry closure was given, the actual closure came as a shock to the workers, the community, and all levels of government. They were caught unprepared. The primary lesson to be learned is that industries and communities should begin to work together while time and resources are available to prepare for eventual closure. This work should not begin the day the doors close – it has to start as early as possible.

Provide Earliest Possible Warning of Industry Closure

It is vital that rural resource-dependent communities be given as much warning as possible of an industry closure. Although often not believed by workers and community leaders, early warning of industry closure is better than no warning at all. Early warnings may be discounted by community members, but they at least offer communities the opportunity to adjust to the shock of change and to plan and manage the transition, even if these opportunities are sometimes missed. Crown agencies of the federal government should serve as role models for industry by giving maximum notice of closure prior to the event.

In a similar vein, the federal, provincial and territorial governments should attempt to anticipate industry closures by keeping abreast of all factors influencing industry operations, such as industry trends and commodity prices as well as the impacts of government policy decisions. They should also identify remote communities at risk of industry closure and work strategically with local governments and industry to anticipate possible closures. Of course, these activities should be conducted in a manner that does not unduly alarm communities and industry employees. The impacts of federal, provincial and territorial policies on resource industries should be discussed with industry and local governments and community leaders before they are implemented so that remedial strategies and actions can be put in place proactively to address any negative policy impacts. Resource industries should be encouraged to work with their communities and all levels of government to anticipate and announce closures long before the actual event to maximize the community's adjustment capacity.

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It should be noted that when an industry closure or a significant downsizing occurs, local leaders and residents often strive to apply political pressure that might persuade a company to reverse its decision. This gut reaction fails to recognize that industry operations are cyclical – some last longer than others but few can be sustained indefinitely. When closure comes, industry will want – and need – to move on and will not always be able to support the impacted community. For these reasons, all actors should put more energy into adjusting to the inevitable rather than trying to delay or reverse it unless there is a clear, realistic and manageable option for finding a new way for industry to operate – as in the case of Meadow Lake, SK. This is an area where governments can play a key role in providing resources to help a community to investigate this potential to reach a decision in a short period of time.

Determine the Factors that Influence Recovery in a Specific Community

No single condition determines whether or not a community will recover after an industry closure. Because all communities exist within unique circumstances, a complex interplay of factors and actor actions influence transition management. The literature review revealed geography is often a dominant factor determining whether or not a community is able to weather an industry shut-down. Geographic factors influencing recovery include:

- the availability of other resources or natural assets (like scenery, weather) for economic development;
- local amenities and services;
- proximity to nearby communities;
- year-round access by major means of transportation, especially roads; and
- proximity to highways, ports, railways, airports for access to markets.

These geographic factors are difficult to change, although there is some potential to invest in transportation infrastructure. Other factors influencing a community's transition can change. These include:

- political leadership;
- an entrepreneurial spirit and positive attitude;
- regional collaboration and inter-relationships;
- the level of collaboration between all levels of government and actors;
- a diversified tax base;
- attractive services and infrastructure; and
- pre-crisis planning.

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Respond to Industry Closure through Collaboration between All Actors

It is clear that no single actor is exclusively responsible for managing the transition and recovery of a resource-dependent community that has lost its primary resource industry through closure. Many factors out of the control of the lead actors are involved – community remoteness and geography, economic opportunities, proximity to transportation, etc. – and the dynamics between the lead actors also plays a part. Because of the unique circumstances of each community and the complex interplay between factors influencing transition, it is impossible to isolate one actor and give it credit for the community's transition and sustainable recovery. In every case study, ongoing collaboration between all actors at all stages of transition, coupled with a multifaceted response, ensures the effective coordination of resources and programs to maximize the opportunities for successful transition management. As part of this collaboration, it is important that each actor recognizes that all have a kind of leadership role to play. For example, the key actors can each lead in the following ways:

- federal, provincial and territorial governments: set policy direction and prepare regions/communities for impacts;
- provincial and territorial governments: coordinate collaboration and funding from all actors;
- local governments: manage local issues arising from closure;
- industries: communicate intentions clearly and in a timely way and early on, and be responsible community citizens by being accessible and supportive and by participating in community priorities;
- community organizations: provide practical support.

Discover the Uniqueness of Each Community

New technologies like the Internet have the potential to reduce the impact of geography on the future of small and rural communities but the influence of this globalizing technology cuts two ways. On the one hand, when geographic barriers are overcome by telecommunications technologies that enhance accessibility, small communities can realize new opportunities for offering goods and services remotely. However, while space and distance may matter less to suppliers unless they incur heavy shipping costs, they also cease to matter for consumers who do not care whether their purchase originates in a specific remote community, a different one, or a large urban centre, as long as they get the price and quality they are looking for. As a result, industries and individuals may develop new criteria for choosing the place where they locate. Instead of being indifferent to location, they may be more selective and base their choice more on the basis of lifestyle and community amenities.

Communities cannot rely on the Internet as a panacea that will provide business opportunities within their community. The double-edged nature of the Internet means that small communities will need to be more competitive with each other to make themselves attractive to businesses considering establishing or relocating themselves in small communities. They must do everything possible to identify and capitalize on the assets of their specific place – such as the quality of the environment, natural beauty, amenities, services, tax advantages, and infrastructure – and to market them aggressively in ways that make the community appealing. As well, as the community works to enhance its accessibility using new communication technologies, it must also coordinate communications and transportation infrastructures to ensure local goods can reach wider markets.

Implement a Range of Actions

It is impossible to identify single actions that are essential to successful transition management because transition management depends on many complex and interrelated factors and on the combination of strengths brought to the task by all actors. Despite this, it is possible to identify a range of actions that are helpful, including planning and implementing economic strategies, providing incentives for industry and new resident relocation to communities, maintaining service levels, stabilizing municipal debts and revenues, providing worker support, and maintaining high community morale. Working with their partners, communities need to develop a plan to map out all of the range of actions and strategies they will need to succeed in transition recovery.

Provide and Manage Financial Resources

It should be noted that managing transition usually costs money and that these costs must be managed over a defined period of time. Unemployed workers need fair severance packages. Local governments need to replace lost property tax revenues, consolidate services and reduce debts. Some level of local infrastructure must be maintained or improved and industrial sites must be reclaimed to attract new industry and residents. Implementing economic development strategies, providing incentives and adjusting to industry closure requires significant and stable financial resources. For these reasons, managing a transition cannot be accomplished without significant investments and/or financial adjustments on the part of all levels of government, community members and, where possible, the departing industry. All actors should be prepared to assess these financial needs realistically and step in to fill the gaps caused by industry closure to implement a long-term recovery strategy. All levels of government and other actors need to work together to develop a coordinated strategy for managing costs and expenditures. Wherever possible, strategies should be developed to invest money wisely and efficiently and to defray expenditures over time to minimize the financial impacts of industry closures. Rather than simply throwing money at communities to solve problems, investments should be made rationally and wisely in an effort to make sure past investments are not lost and position the community for new opportunities. Communities need a financial plan, developed before closure occurs and regularly updated as conditions change.

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Define Transition Management Success Individually for Each Community

The research conducted for this paper demonstrates that transition management is more of an art than a science, more qualitative than quantitative. A measure of transition management success that works for one community may not fit the unique circumstances of another. Sometimes, successful transition management can be identified as resulting in a growing population, expanding tax base and thriving new businesses. In other cases, as in Great Harbour Deep, NL amicable community closure may be considered a success. Because of the nebulous, vague character of success, it is vital that all actors work together to determine what successful transition management looks like for each individual community. By defining transition management success individually and through an inclusive process, it is more likely that it can be achieved.

Accept Community Closures as Sometimes the Best Transition Management Option

Just as industry closures must be accepted as a natural occurrence in resource-based communities, particularly those based on non-renewable resources, sometimes community closure may be a viable option within a successful transition management process. While generally considered a last resort after all other options have been exhausted, community closure may indeed be in the best interests of the residents and all levels of government. This would be the case particularly if the community had no practical options for economic development, the population and tax base eroded significantly, and the costs of community maintenance exceeded the costs of community closure and the relocation of its citizens.

Final Comments

This study has discovered some lessons appropriate for resource-dependent communities across Canada, regardless of which resource industry sector they depend on or how unique their local circumstances. The actions suggested within this chapter can be combined – as circumstances require – to support the transition management of any remote community facing an industry closure to maximize the likelihood that these communities can move from crisis to recovery.

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Final Report

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Appendix 2: Best Practices for Transition Management

Best Practices in the Pre-Closure Phase

Description / Actor	Description / Best Practice
Description of Phase	• Anticipating Closure • Advance Planning • Communicating
Federal Government	Consult with the provinces and territories, and regions/communities before making policy decisions affecting resource communities. Analyze the impacts of national policy on a regional and/or community level prior to adopting the policy. Provide a formal, advance notice of closure of its facilities as much before the closure date as possible to provide employees and communities with the maximum amount of time to adjust and make future plans. In this way, federal agencies will serve as a model of good corporate behaviour to the private sector. Design flexible community support programs that can be adapted to the specific needs of resource-dependent communities while maintaining a high standard of accountability. Make a menu of assistance and support programs easily available and publicize this availability so that communities know in advance what resources they have access to, and under what terms and conditions they can obtain them.
Provincial and Territorial Governments	Develop plans and appropriate legal frameworks that provide municipalities with greater flexibility in the way they operate so that they can be more responsive to economic crises. Provide provincial or territorial funding and other forms of support, like consultation and advice to resource-dependent communities with a high risk of industry closure, to develop economic plans well in advance of industry closure. Encourage municipalities to work together on a regional basis, wherever possible, to find joint solutions and capitalize on regional strengths and opportunities. Enhance communication with industry and work towards arrangements with industry and the community concerning the process to be followed in the event of a closure. This process should include consultations with all affected parties prior to closure to allow transitional planning.

Local Government	While local industry is still strong, make plans to develop the local economy and mobilize the local community to participate in that process. Provide front-line leadership to determine the community's most sustainable future direction and to coordinate planning and collaboration to achieve community goals. Recognize that all resources can become uneconomical or can be exhausted, and work with industry throughout its operations to plan ahead for eventual closure. Build on community strengths and hidden talents within the community to attract industry and business. By attracting new and different commercial and industrial interests, find ways to reduce tax reliance on a single industrial tax payer. Explore new approaches such as partnership opportunities with neighbouring municipalities and/or First Nations and aboriginal groups. Restructure services to reduce the costs of municipal operations, pay down capital debt and hopefully build up surpluses and reserves to help manage through transition.
Departing Industry	Recognize that it cannot ignore its own dominance of the local economy and develop a culture of community responsibility and leadership during prosperous years so that this culture is continued in the event of an industry closure. Where market conditions and the proprietary nature of industrial operations allow, provide maximum warning of closure through formal notice to minimize shock and allow communities time to adapt to changes. Because most resource industries have a naturally limited life cycle, resource industries should work with community leaders to plan in advance for resource depletion and industry closure. Ensure ongoing communication between the industry and the community prior to, during and after closure. Establish clear mechanisms for industry supports, such as retirement packages, home buyouts, severance, training and relocation, well before closure to ease transition and manage worker expectations.
Community Organizations	Active community organizations should take an instrumental role in developing local economies and strengthening community bonds.

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Best Practices in the Immediate Closure Phase

Description / Actor	Description / Best Practice
Description of Phase	• Providing Tools • Implementing Plans • Providing Services
Federal Government	Work with the provinces, territories and local communities on a regional basis to explore economic development opportunities. During the revitalization process, the federal government does not exercise too much control over decisions and funding, allowing local communities to make local decisions. Provide funding for identifying, evaluating and pursuing economic development opportunities for those regions/communities that will experience decline because of federal government policy changes or the closure of federal or private industry operations. Federal agencies provide employee assistance programs when withdrawing operations from communities in order to provide transitional income and to set models for good corporate behaviour. Maintain federal services in regions and communities impacted by industry closure and add extra, time-limited services to provide additional assistance during the transition period.
Provincial and Territorial Governments	Empower local governments to lead the development and implementation of transition plans to transform their administrative and local service functions and channel appropriate human and financial resources to facilitate the transition. Work with the federal government and local communities on a regional basis to explore economic development opportunities. Continue to provide or adjust services to provide appropriate levels of transition and economic development funding, debt relief, revenue replacement, counselling and training, and collaboration with all actors. Provide municipalities with tools such as flexible and empowering municipal legislation; financial, administrative and communications support; and guidance. Where municipalities already have empowering tools, provide guidance and support so that these tools can be used to their full potential. Survey assets, such as crown lands, land use rights or licenses, to determine opportunities for transferring them to communities where this transfer would improve the community's economic and social capacity.

Local Government	Strive to deliver services at a reasonable cost and with minimum impact to ratepayers with the same vigour as efforts to attract and retain new business and residents. Communicate positive messages during transition that the community is struggling but resilient. Collaborate with other levels of government and organizations to put appropriate supports in place and to leverage resources. Work on a regional basis to capitalize on regional strengths and share service delivery costs.
Departing Industry	Improve communication through ongoing, formal industry/government interaction and liaison. Recognizing that some workers will leave the community, provide generous severance, home buyout, relocation, retraining and job placement services to increase the likelihood workers will find employment elsewhere or remain in the community and contribute to social and economic stability. Ensure that industry support to workers and the community are delivered as planned. Transfer beneficial capital assets, such as industrial land and equipment useful to local businesses, individuals and organizations, to the community to provide a legacy that strengthens that community's economy.
Community Organizations	Work to ease the closure crisis and plan for immediate financial and social assistance to the community. Work to build community capacity and morale.

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Best Practices in the Long-Term Closure Phase

Description / Actor	Description / Best Practice
Description of Phase	• Revising Plans • Adjusting to Change • Looking to the Future
Federal Government	Economic development authorities, committees or corporations continue to play a role (with federal participation) in revitalizing regions/communities that have gone through economic decline and transition. The federal government models good corporate behaviour by ensuring its agencies fulfill all of their environmental and aesthetic clean-up responsibilities when withdrawing their operations from local communities. Federal government agencies need to set examples and be models of how private companies are expected to behave when withdrawing their operations from a community.
Provincial and Territorial Governments	Continue provincial or territorial involvement in economic development authorities, committees or corporations so that they play a role in revitalizing regions/communities that are going through economic decline and transition. Consider community closure when it is in the best interests of the community – as determined collaboratively by the community and the provincial or territorial governments.
Local Government	Continually review and revise municipal budgets to reflect changes in population, demographics and tax base. Investigate region-wide opportunities, including restructuring, to deliver services more efficiently and create a regional identity. Develop practical strategies to support transition management by updating strategic plans to enhance the community's social, economic or physical base. Engage in periodic surveys or other processes to find out what residents value in their community and what their specific service needs might be. These processes can also help municipal councils find out about possible "hidden talents" of new residents attracted to the community.
Departing Industry	Address the environmental hazards and aesthetic impact of industry activities on communities, particularly for industries involving radioactivity, chemical wastes, open pit mining and clear cutting. Return industrial lands to a natural or re-useable state in unsettled areas as far as practical.
Community Organizations	Participate in the development of business plans, new market opportunities and economic development strategies. Aboriginal organizations might deliver services and programs and may act as the economic driver for an area. All community organizations work together to achieve community goals.

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Internet Sites

Canadian Institute for Research on Regional Development (Moncton, NB):
http://www.umoncton.ca/icrdr/fs_mandate_en.html

Canadian Rural Revitalization Foundation:
http://www.crrf.ca/about/index.shtml

Centre for Community Enterprise (Port Alberni, BC):
http://www.cedworks.com

Centre for Sustainable Community Development (Simon Fraser University, BC):
http://www.sfu.ca/cedc/

Heartland Center for Leadership Development (Lincoln, NE):
http://www.heartlandcenter.info/

Institute for Local Self-Reliance (Washington, DC):
http://www.ilsr.org

Northeast-Midwest Institute (Washington, DC):
http://www.nemw.org/smartgrowth.htm

Rural and Small Town Programme of Mount Alison University, NB:
http://www.mta.ca/rstp/rstpmain.html

Rural Development Initiatives (Eugene, OR):
http://www.rdiinc.org/

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