

Resource-Based Communities



Exploring Rural Canada

Resource-based Communities

- ∞ 20% of Canadians live in scattered rural communities
- ∞ Most of these communities have grown around a **primary industry**
 - Fishing, forestry, mining
- ∞ These communities face both major opportunities or major challenges...



Business Cycle

- ☞ Can provide excellent employment - depending on demand for the product and the skills required.
 - Leads to opportunities for businesses in that community
- ☞ However, much profit from selling this resource doesn't come back to the community
 - Back to shareholders of company
- ☞ There is little **Accumulation of Capital** in resource-based communities
- ☞ Also, resource could run out or demand for it could drop
 - Lead to serious economic challenges
- ☞ This is the **Business Cycle** of resource-based communities

The Business Cycle



Example...Cod Moratorium

- ∞ Many of these small communities struggle during these times
 - Struggle to retain infrastructure like schools and hospitals
- ∞ Example: *Cod Moratorium (1992)*
 - Federal Government placed a **moratorium** (ban) on cod fishing
 - Many fish plants and employees without work (moved to larger urban centres)



Example...Labrador City in 2013

- ∞ Only a few years ago Labrador City experienced significant economic growth
 - Expansion of IOC
 - Potential for junior mining companies such as Alderon

- ∞ Demand for iron ore (used to make steel) soared
 - Especially from China and India

- ∞ Although this growth is great for the community, there are still challenges
 - Availability and cost housing



Example...Labrador City in 2014

- ∞ **With the sudden drop of ore prices the future now seems uncertain.**
 - Wabush Mines shut down
 - Expansion on hold
 - Alderon in survival mode
- ∞ **New Challenges emerge..**
 - New workers left with large mortgages and depreciating value.
 - Town of Wabush losing income
 - Local business suffering
 - Concerns about future layoffs, shutdowns etc.

 - **Boom and Bust!!**



Changing Demographics

∞ Why are these rural communities in decline?

- Lack of work due to less demand or less abundance of resource
- Lack of basic services due to the high cost of providing them
- Technological changes automating jobs once done by humans
- Immigrations often prefer to relocate to cities
- Young people forced to leave to pursue other opportunities



Are these trends likely to continue into the future?

Can rural places be saved? Should they be?

Resettlement

- ☞ Resettlement in Newfoundland and Labrador terms was an organized attempt to centralize the population into growth areas.
- ☞ Three attempts of resettlement were initiated by the Government between 1954 and 1975 which resulted in the abandonment of 300 communities and nearly 30,000 people moved.
- ☞ Government's attempt of resettlement has been viewed as one of the most controversial government programs of the post-Confederation Newfoundland and Labrador.
- ☞ The social change caused by resettlement has appeared in some works of literature and music

