

The Forest Economy: A Vital Economic Foundation for BC and its Communities

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Outline

- Introduction
- Foundations of BC's Economy & Communities
- The Future of BC's Economy & Communities
- Taking Up Opportunities in the New Economy
- Closing

Part 1:

- Introduction

Ike Barber's Question

- In a province of rich natural resource endowments, what burdens or benefits will we leave for future generations?
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- Research supports Ike's two main points:
 - BC's future prosperity is tied to realizing the widest possible opportunities and benefits from the new forest economy
 - A prosperous BC is tied to the readiness of all its citizens to take advantage of these opportunities

Part 2:

- Foundations of BC's Economy & Communities
 - Prosperous post-war BC
 - Post 1980s Challenges
 - Resource Reliance

BC – pre 1950

- BC was a ‘have not’ province
- Resource royalties fluctuating
- Small / inefficient industries
- Community & industrial infrastructure poorly developed
- Few secondary / support industries

BC-1950s

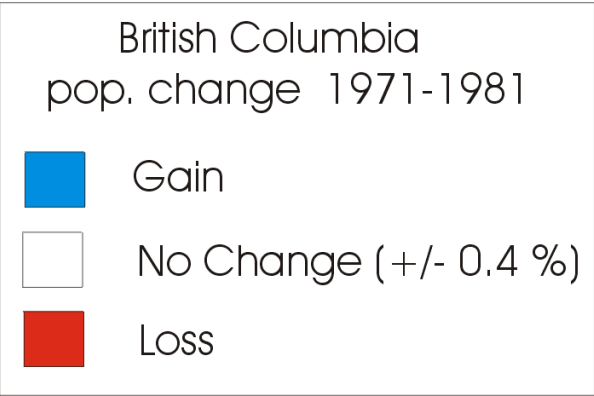
Big Investment & Broad Vision

- Coordinated public policy initiatives to industrialize the province
- Linking interior resource regions to markets
 - Road, rail, port investments
- Creating ‘instant’ towns and growing regional centers
 - Social, service, and quality of life investments
- Generated ‘long-boom’ to 1980s
- Enduring lesson:
 - Vision / policy coordination / integrated strategy

BC – 1950s

Integrated Strategy

- Scale up forestry / close utilization
- Wood waste to support interior pulp and paper
- Electrical power:
 - sales to fund infrastructure
 - to drive industry
- Oil/gas for revenue and power
- Industrial capital
 - Policy changes (forest tenure) to provide banks with security to forward large firms money
- Full highway network
- Integrated railway network and airports
- Creation of 'Instant Towns' remote BC
- Community infrastructure (schools and services) to attract and retain a workforce
- Expanded education access for 'workforce'
- Reorganized health care delivery
- Reorganized school district system
- And many more ...



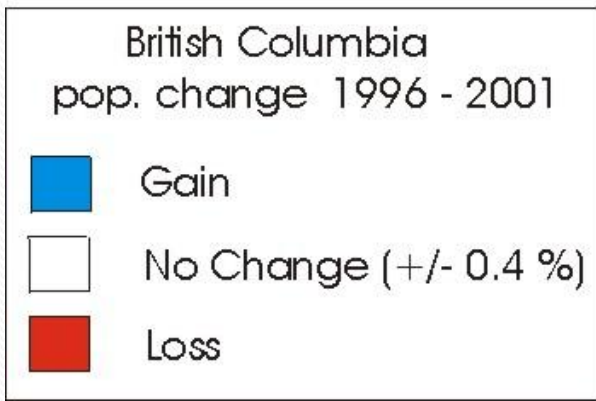
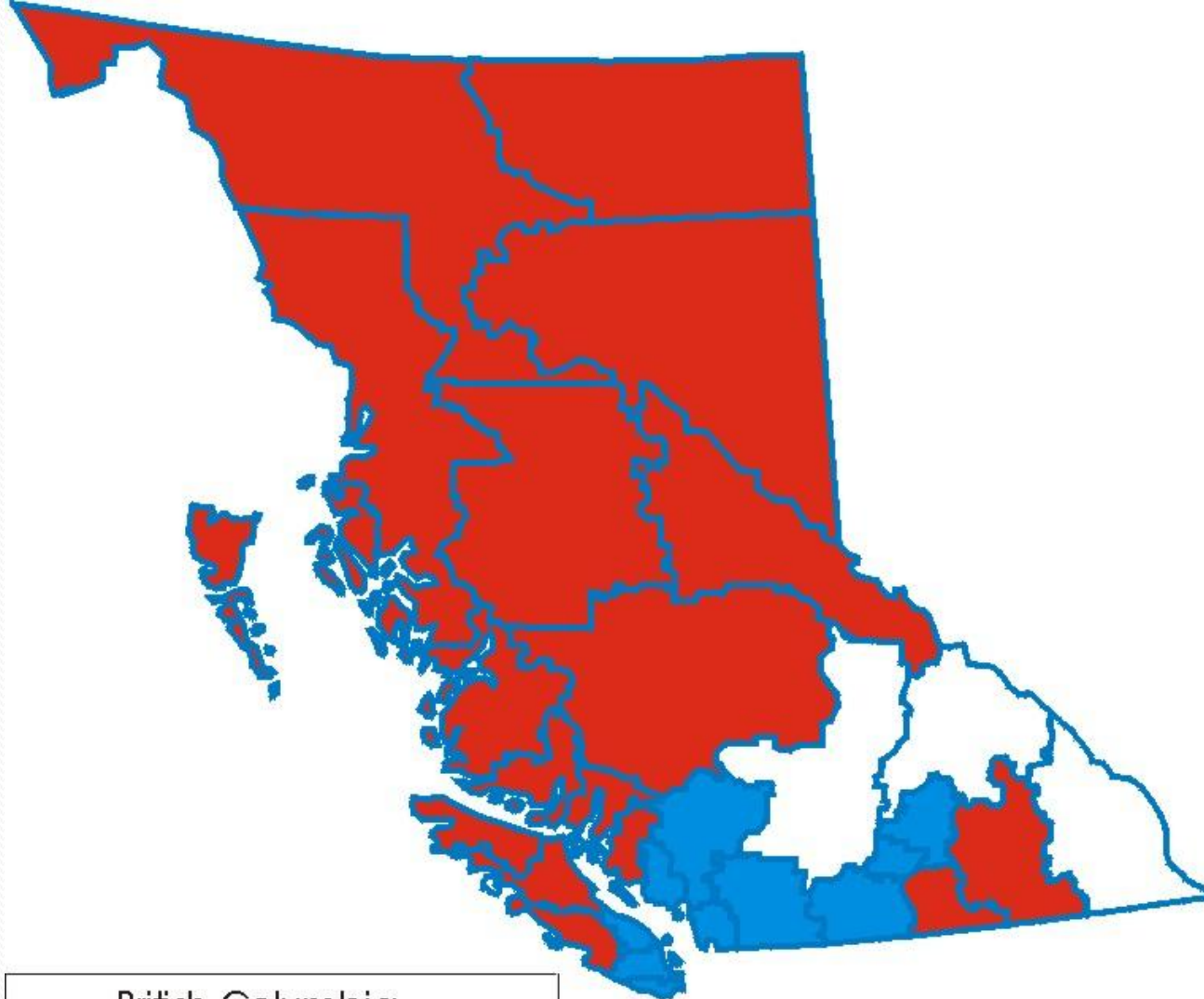
BC – 1980s crisis

- 1980s resource commodity recession
- Pressures since:
 - Low cost production regions
 - International trade agreements
 - Trade globalization
- Downward pressure in resource communities
- Increased volatility in province and urban core

Natural Resources Maintained Rural Economies

- Required many labourers
- Communities were 'service' centres to local hinterlands
- Resource industries are concentrating
- Technology is labour-shedding
 - Job losses
 - Limited wage benefits remain





BC's resource economy concerns us all

- Our economic base is about international exports

Year	Natural Resources % of Total Revenue – Less Taxes and Federal Transfers	Total (\$ millions)
1989/90	36.3	13,656
1999/00	42.2	21,836
2009/10	37.6	28,570

BC – To compete globally

- BC functions as a single integrated economy in the global marketplace
 - Metropolitan and non-metropolitan places and economies each play a vital role
- Non-metropolitan BC generates **\$14,920** in international export income per capita
- Metropolitan BC generates **\$4,278** per capita

(Baxter and Ramlo 2002: 21)

Part 3:

- The Future of BC's Economy & Communities
 - Place-Based Approach
 - New Forest Economy
 - Other Place-Based Opportunities

A 'place-based' approach

- Builds on:
 - Assets of the community and region
 - Aspirations of its citizens
- Includes:
 - Existing strengths
 - Natural assets
 - Built assets
 - Service assets
 - People assets
- Place-based planning is all about rebundling assets to realize aspirations

'Place-based' Development

- “Place” in the “Global” economy
 - As space becomes less important...
 - Place becomes more important

'Place-based' Development

- Demands more of local capacity
 - Actors and institutions
 - Governance
- Local capacity must accommodate new relationships and partnerships
 - Support and innovation
- Demands more of supportive public policy

We have worked hard to resolve our Forest Economy debates

- Progressive Planning for Lands and Resources
 - CORE, LRMPs, LUPs
 - Timber Supply Reviews
 - Boreal Forest Agreement
 - Great Bear Rainforest

New Forest Economy Opportunities

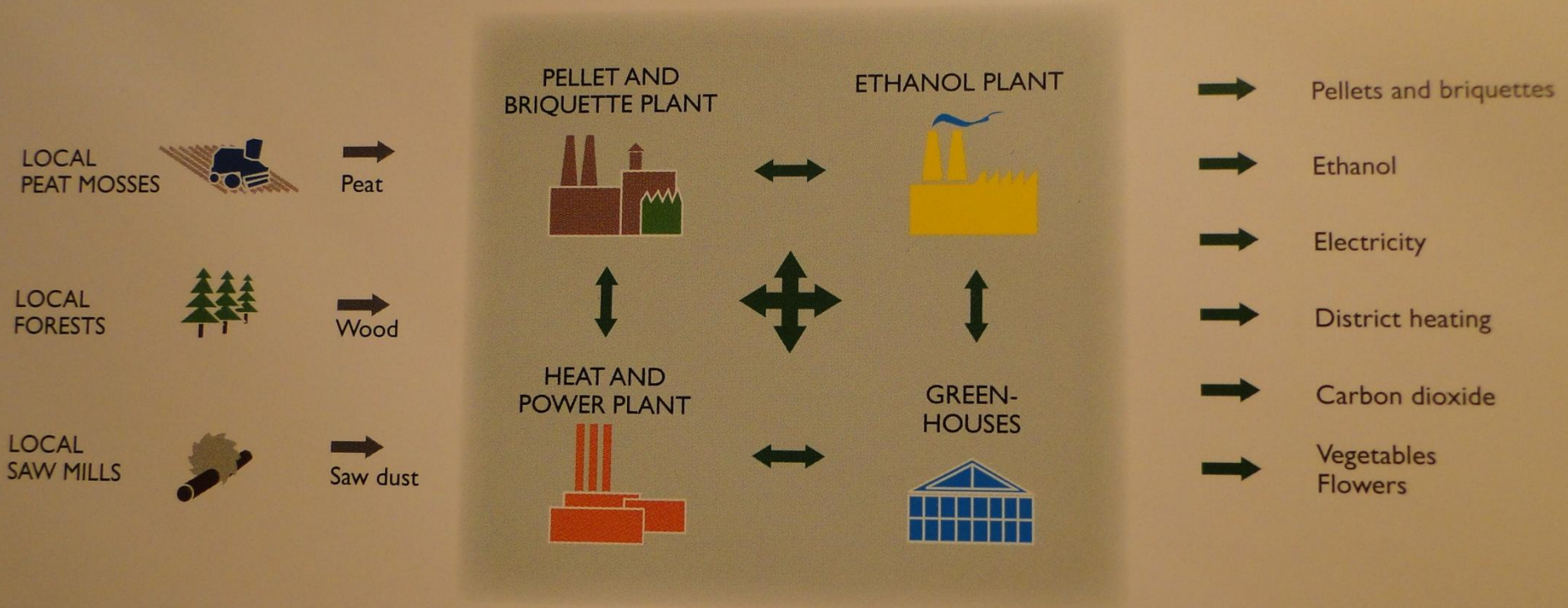
- Extensive range:
 - Traditional forest products
 - Value added forest products
 - Bio-energy
 - Bio-materials
 - Non-timber botanicals
 - Bio-chemicals
 - Forest agriculture
 - Bio-pharmaceuticals
 - etc...

Vision

- Diversify within, and across, current sectors; add new sectors
 - Seek complimentary activities
 - Integrate economic actors
 - Move up and down the value chain
 - Move to zero waste

the energy!

THE SVEG MODEL



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Investing in your future

What industry is saying

- **Growing the Future: PWC (PricewaterhouseCoopers), February 2011**
 - Competition for wood fibre will increase
 - Will be critical to derive more value from each tree
 - Need to look up and down the value chain
 - Need to form alliances with other companies, and across sectors

What financial analysts are saying

- **Don Roberts, CIBC World Markets (Key themes from the research on *Food, Fuel, and Fibre*)**
 - There will be strong competition for fibre
 - Need to take a systems approach.
 - Communities, industry, research, and government
 - Need to break out of our sectoral silos
 - Decision-making should move closer to the land-base
 - Greater emphasis on community-based entities

Other BC Place-Based Economic Development Opportunities

- Other examples that have emerged:
 - Mining: North, Cariboo, Chilcotin, East Kootenay
 - Agriculture: Cowichan, Okanagan, Silmilkameen
 - Tourism: Okanagan
- We need to steward our Forest Economy landscape ...
 - and we know how to do this !

Part 4:

- Taking Up Opportunities in the New Economy
 - Communities
 - People
 - Public policy

Communities

- Communities must be ready & able to create and take advantage of opportunities on own terms
 - Benefits for BC, communities, families

People

- People must be ready and able for the employment opportunities that will come in the new economy
- “we cannot leave British Columbians behind!”

Education system

- Must be comprehensive:
 - pre-natal care
 - early childhood education
 - K-12 system
 - post-secondary & specialized skills training
 - older workers
 - lifelong learning
- Must take special account of Aboriginal needs
 - Young people must become comfortable in both traditional economies and market economies

Public policy

- A crucial & more complicated role
 - Assist bottom-up community development work
 - Consistent top-down supportive public policy framework
- Provincial agencies and programs must become more comfortable with place-based policy approaches
 - Will result in more diversity of communities and economies across non-metropolitan BC.

For UBCM members

- Ensure that development planning is based on a comprehensive analysis of the context & problem
- Avoid 2 critical errors so that local and regional Ec. Dev. plans are not 'laundry lists'
 - 1) Must be well grounded in place
 - Need local research
 - Must understand links to other jurisdiction s / policies / etc
 - 2) Must include implementation
 - We need policies and approaches that fund the local and regional priorities
 - Need measurable outcomes and ways to track them
- Must collectively create a robust foundation for renewal.

For UBCM members

- Innovation and creativity grow from:
 - Involvement of communities in what they know best about their potential for opportunities
 - Support by senior government to help them realize those opportunities



Closing ...

Messages – vision and energy

- Recognize BC's Forest Economy
- We need to renew the Forest Economy to create opportunity
- All British Columbians are must ready & able to take up these opportunities
- “A healthy Forest Economy is everyone's business”

Community Development Institute at UNBC

Introduction

Institute Description

What's New

Mountain Pine Beetle Links

Community Visits

Institute Director

Staff

Research

Information Sharing

Links

Contact Information

Community Development Institute - UNBC

The Community Development Institute at UNBC is interested in two fundamental issues for communities in northern BC: community capacity and community development. By undertaking research, sharing information, and supporting education outreach, the Institute is becoming a vital partner to communities interesting in making informed decisions about their own futures.



The town of Smithers, BC

The Institute emphasizes the importance of capacity-building, collaboration, learning, and complementarity between UNBC research centres. Research that is undertaken balances academic credibility with practical relevance. Beyond research, the Institute is involved in outreach activities and serves as a conduit to expand and enhance local educational opportunities related to community development.

The three foundations of the Community Development Institute at UNBC are:

- Research
- Education
- Outreach



www.unbc.ca/cdi

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