

Regions in the Knowledge Economy

Decline and Adjustment at the Periphery

West Coast of Newfoundland



Marc L. Johnson

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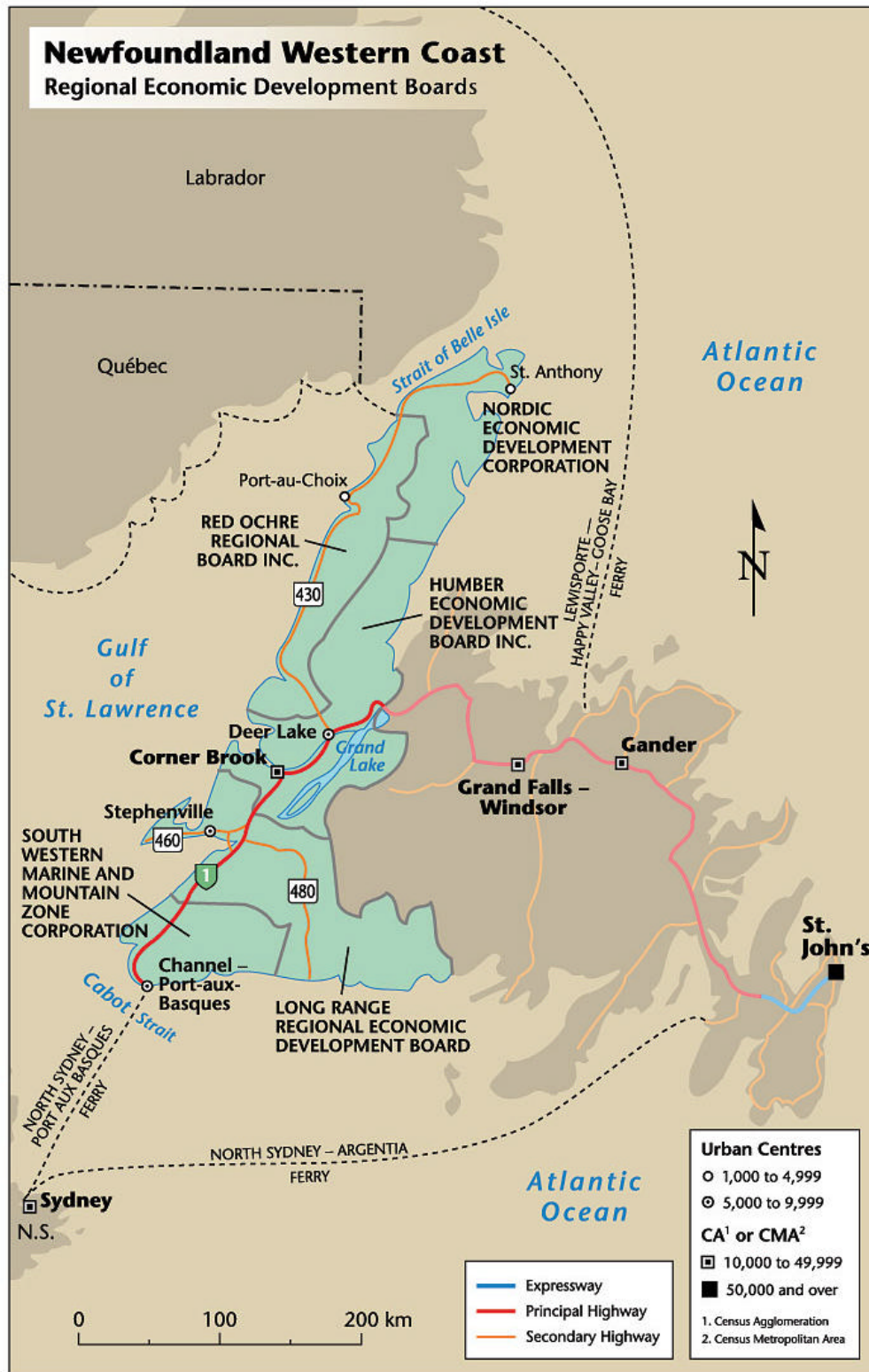
West Coast of Newfoundland

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ACOA provided support to this study through the **Atlantic Policy Research Initiative (APRI)**. The objective of the Initiative is to enhance the capability of the Agency to coordinate and plan pan-Atlantic federal activities contributing to economic growth in Atlantic Canada.

ABOUT THE AUTHOR

Since January 2001, Marc Johnson has been Senior researcher at the Canadian Institute for Research on Regional Development at Université de Moncton. A sociologist, he is a graduate of the universities of Moncton, Strasbourg and Bordeaux, where he completed his doctorate in 1992. He has worked as a research and program evaluation consultant in collaboration with several government organizations, including Human Resources Development Canada, Canadian Heritage, the Canadian International Development Agency, the Office of the Commissioner of Official Languages and the Ministry of Education of Ontario. He has also worked for the National Anti-Poverty Organization and the Canadian Council of Professional Fish Harvesters.

His fields of interest include social, community, and economic development. He has examined the issues of literacy and adult education, employability measures, the vitality of linguistic minorities, and the capacity building of communities in Canada, as well as in Africa, South America, and Eastern Europe.

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FOREWORD

This study of the West Coast of Newfoundland is part of the watch project on the peripheral economies of eastern Canada, a comparative research program covering a total of eleven regions: Abitibi-Témiscamingue, Saguenay- Lac-Saint-Jean, Bas-Saint-Laurent, Gaspésie and Côte-Nord in Quebec; Mada-waska, Gloucester, Kent and Westmorland counties in New Brunswick; Prince County on Prince Edward Island; the West Coast of Newfoundland; and Southwestern Nova Scotia.

The objective of this research is to acquire a better understanding of the distance factors that affect the economy of Canada's peripheral regions, and to identify possible ways of revitalizing these regions. The approach taken involves a double comparison: first, a comparison of the eleven peripheral regions under study; and second, a comparison of eastern Canada and northern Europe, which share several characteristics in terms of geography and economic structure and policies.

The research program is conducted jointly by the Institut national de la recherche scientifique – Urbanisation, culture et société (Montreal) and the Canadian Institute for Research on Regional Development (Moncton). In addition, researchers from the Université du Québec à Chicoutimi, the Université du Québec à Rimouski, and the Université de Moncton are contributing to this initiative. The program is jointly funded by Canada Economic Development for Quebec Regions and the Atlantic Canada Opportunities Agency.

The principal results of this regional study are reproduced in the final research report. It also makes a synthesis of the other regional studies, a review of the international literature on peripheral economies, the cross-Canada statistical analysis, and the comparative analyses done in cooperation with researchers from northern Europe. These documents are available on the Web at www.umoncton.ca/icrdr.

Marc L. Johnson
October 2001

I

REGIONAL PROFILE

With the exception of Canada's Far North, it is impossible to imagine any area that is more "peripheral" than the province of Newfoundland and Labrador, be it in terms of its geography, its history or, for our current purposes, its economy. Having joined Confederation barely fifty years ago, in spite of considerable indecision, Newfoundland and Labrador still claims its distinct character within Canada. Yet, a thousand years ago, this area at the extreme eastern end of the country was the site of the first European settlement in America, albeit a temporary one – that of the Vikings. Today, tourists come to examine the vestiges of this Nordic adventure that foretold a history marked by the harshness of the natural environment and man's independent spirit.

In this study, we have focussed on the West Coast of Newfoundland, a region that faces the North Shore in Quebec and Labrador, along the Gulf of St. Lawrence. The only urban centre in this vast, sparsely populated (2.9 pers./km²) and mostly rural (64 percent) region is Corner Brook. Historically, the small francophone population of about 800 souls has been concentrated on the Port-au-Port peninsula.

The West Coast region of Newfoundland and Labrador cuts across the three districts of South West Port-aux-Basques in the south, Corner Brook in the centre and Northern in the north. This is the economic region of the same name defined by Statistics Canada, minus Labrador, which we have left out for reasons of homogeneity. From the provincial standpoint, the West Coast is itself divided into five economic zones, each governed by a regional development board. We have organized our study around these five zones (see map): Nordic, Red Ochre, Humber, Long Range and South Western Marine and Mountain.

The West Coast of Newfoundland is therefore a somewhat disparate region, extending over the whole height of the island, from Port-aux-Basques to St. Anthony. Fishing is the region's main industry, around which the Newfoundlanders' way of life has been shaped, by both ancient and recent history. The other significant source of jobs is the government sector. The 1990s were marked by a crisis on both these fronts. The near-disappearance of groundfish that rocked eastern Canada during that decade hit this region like a tidal wave. Between 1991 and 1996, about 1,400 jobs — almost half the total number — vanished from this industry. For this region, it was not just jobs that were lost, but a way of life that was faltering, and a grasp on the future that was slipping through the community's fingers. Since then, the fisheries have reorganized on a more diversified basis, and the economy has sought new foundations, but the scars are still obvious. At the

same time, feeling the fiscal pressure, governments have considerably reduced their spending, and therefore their transfers to this region.¹

While the West Coast is one of the access points to the island of Newfoundland and Labrador, owing to the Port-aux-Basques ferry service, it is still basically remote from any new developments in this province. It is in the capital city of St. John's, located at the other end of the island, some 700 km from Corner Brook, that the major economic decisions are being made and the new Newfoundland and Labrador economy is being constructed.² There is of course the urban area of Corner Brook, in the centre of the region, which is still thriving thanks to the forest industry, but the risk of a downturn in this growth axis is real. The combination of a very low population density and human resources that are ill-equipped for an economic adjustment adds to the weight of the challenge that awaits the inhabitants of this peripheral region.

However, among the shadows that seem to hover over this region's economy, there are some bright spots. The province has done a considerable amount of catching up in the areas of education and literacy. The fishing industry has diversified, and its landed values are twice those of the pre-moratorium period. The number of jobs has begun to grow again since the last census. In the St. Anthony sub-region, the SABRI (St. Anthony Basin Resources Inc.) initiative offers a promising community economic development model, based on fishing profits. The tourist attractions of the West Coast are becoming better known, owing to the millennium celebration of the Viking settlement at L'Anse-aux-Meadows.

In the pages that follow, we will present a demographic and socio-economic profile of the region, followed by a discussion of the principal challenges that must be met to give a new impetus to the region's development.

Population

In the 1996 census, the West Coast of Newfoundland had 91,410 inhabitants, or 4,000 fewer than five years earlier (see table 1). Accelerating negative growth is evident: between 1981 and 1991, it averaged -0.42 percent annually, but after 1991, the average annual rate reached -0.73 percent. Over the last twenty-five years, the regional population has declined an average of 0.20 percent annually. If we compare the region with Canada as a whole, which had an average annual population growth of 1.0 percent for twenty-five years, the contrast is obvious. And compared with the other regions under study in this research program, the West Coast ranks second, behind Gaspésie, in terms of the largest decline in population.

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1. J.D. House explains this double dependency on fisheries and government transfers in *Against the Tide: Battling for Economic Renewal in Newfoundland and Labrador* (Toronto: University of Toronto Press, 1999), 19.
 2. J.D. House notes that it has always been this way for Newfoundland and Labrador's regions, both in the colonial era and today, in *ibid.*, 180.

Table 1
Population Levels and Population Growth, Canada and West Coast of Newfoundland, Rural/Urban, 1971–96

	Total Population			
	1971	1981	1991	1996
Total Canada	21,568,255	24,083,395	26,993,800	28,528,015
Rural Canada	5,414,155	5,815,230	5,994,090	6,235,660
Urban Canada	16,154,100	18,268,165	20,999,710	22,292,355
Total West Coast Nfld.	96,370	100,060	95,545	91,410
Rural West Coast Nfld.	63,945	65,005	61,955	58,530
Urban West Coast Nfld.	32,425	35,055	33,590	32,880
	Average Annual Growth (%)			
	1971–81	1981–91	1991–96	1971–96
Total Canada	1.01	1.04	0.93	1.08
Rural Canada	0.65	0.28	0.66	0.54
Urban Canada	1.12	1.27	1.00	1.25
Total West Coast Nfld.	0.34	-0.42	-0.73	-0.20
Rural West Coast Nfld.	0.15	-0.44	-0.94	-0.34
Urban West Coast Nfld.	0.71	-0.39	-0.36	0.05

Source: Statistics Canada, 1971, 1981, 1991, and 1996 censuses; compiled by INRS – UCS.

It can be seen that the rural regions bore the brunt of this decline: in twenty-five years, they lost some 5,500 inhabitants, whereas the urban region, namely the Corner Brook area, maintained its population, in spite of some growth in the 1970s and 1980s and a drop in the 1990s.

Within the region, the decline in population is fairly clearly differentiated. Table 2 gives details of the phenomenon for the three census divisions of the West Coast. It can be seen that it is in the Humber division, the most populated because of the urban area of Corner Brook and the town of Deer Lake, that the number of inhabitants declined the least over the last five years (-2.2 percent). The Northern Peninsula division, on the other hand, lost nearly 9 percent of its population over the same period. The St. George division, in the south, which has the same regional weight as the Northern Peninsula, fared somewhat better, with a 3.4 percent decline.

Table 2
Population by Census Division, West Coast of Newfoundland, 1991–96

Census Division	Population		Growth (%)
	1991	1996	
04 - St. George	25,691	24,824	-3.4
05 - Humber	45,314	44,319	-2.2
09 - Northern Peninsula	25,022	22,855	-8.7

Source: Statistics Canada, 1996 census.

Table 3 shows the change in population by age group. The youngest groups clearly accounted for most of this decline. In twenty-five years, the under fifteen years of age fell by half, dropping from 39,000 to 18,600 persons, which corresponds to an average annual growth rate of -2.8 percent. The fifteen to twenty-four years of age also declined by an average of 1.2 percent annually during this period. Both the numbers and relative weight of the other age groups increased.

The resulting demographic phenomenon is the out-migration of young people. Table 4 shows a very marked out-migration of young people in western Newfoundland (including Labrador), particularly between 1991 and 1996. Rural areas lost 26 percent of their population in the youngest age category (fifteen to nineteen years of age) during the period, while urban areas lost 21 percent. Relatively speaking, it is the urban areas that stand out most in the region, since their net negative migration is much more pronounced than at the national or provincial level. In the twenty to twenty-four years of age and the twenty-five to twenty-nine years of age group, the same phenomenon can be seen even more clearly for urban youth.

It seems that one of the factors leading to the exodus of young people is access to post-secondary education outside the province or even from St. John's. Once they have their degrees, young people are reticent to return home, given the lack of jobs or favourable working conditions. Any response to this problem should begin with an examination of ways to entice expatriate Western Newfoundlanders back from the mainland or the capital.

The mobility of the population can also be studied using migration flows. The data presented in table 5 reflect the in-migrations and out-migrations for the three census divisions of the West Coast. First, these data show that, since the last census, the net migration remained negative each year, although a slight improvement is noticeable for the last year (1998-99). Overall, out-migrations as a percentage of the total population, for each of the years, vary between 4.4 percent and 6.0 percent.

The province of Newfoundland and Labrador's population projections do not bode well for the region.³ According to a moderate scenario, the region will lose 14,209 inhabitants between 1996 and 2016. The economic zones most affected will be South Western Marine and Mountain, around Port-aux-Basques (-28 percent), and the Nordic zone, around St. Anthony (-24 percent).

There is no doubt that the economic collapse that followed the groundfish moratorium in 1992 created a climate of uncertainty conducive to such an outflow

3. Province of Newfoundland and Labrador, *Population Projections Newfoundland and Labrador*, Department of Finance, Economics and Statistics Branch, June 2001, www.economics.gov.nf.ca/popMain.asp (consulted on 14 September 2001).

Table 3
Population Levels and Population Growth,
West Coast of Newfoundland, by Age Group, 1971–96

Age Group	1971	1981	1991	1996
Under-15-year-olds	39,155	30,600	21,930	18,595
15- to 24-year-olds	19,685	21,190	17,045	14,200
25- to 54-year-olds	27,755	35,495	40,675	41,045
55- to 64-year-olds	5,220	6,635	7,690	8,160
65-year-olds and over	4,560	6,110	8,150	9,380
Total West Coast Nfld.^a	96,370	100,060	95,545	91,410
	Average Annual Growth (%)			
Age Group	1971–81	1981–91	1991–96	1971–96
Under-15-year-olds	-2.2	-3.0	-2.7	-2.8
15- to 24-year-olds	0.7	-2.0	-3.0	-1.2
25- to 54-year-olds	2.3	1.2	0.2	1.5
55- to 64-year-olds	2.2	1.4	1.0	1.7
65-year-olds and over	2.7	2.7	2.4	2.8
Total West Coast Nfld.	0.3	-0.4	-0.7	-0.2

Source: Statistics Canada, 1971, 1981, 1991, and 1996 censuses; compiled by INRS – UCS.

^a Because of rounding, the totals may not add up.

Table 4
Net Migration of Young People by Five-Year Period, by Age Group,
Canada, Newfoundland and West Coast of Newfoundland,
Rural/Urban, 1986–96

	15–19 years		20–24 years		25–29 years	
	1986–91	1991–96	1986–91	1991–96	1986–91	1991–96
Rural Canada	-14.9	-11.8	-4.1	-2.4	2.6	4.9
Urban Canada	4.8	3.5	1.2	0.6	-0.7	-1.3
Rural Newfoundland	-19.2	-25.1	-9.1	-16.1	-2.3	-5.8
Urban Newfoundland	-1.8	-9.0	-4.4	-7.1	-1.2	-3.2
Rural West Coast Nfld.	-17.5	-26.0	-6.4	-13.4	-1.4	-3.7
Urban West Coast Nfld.	-13.1	-21.3	-6.2	-17.0	-1.8	-6.1

Source: According to the tax data, in R. Dupuy, F. Mayer and R. Morissette, *Rural Youth: Stayers, Leavers and Returners*, report submitted to the Rural Secretariat, Agriculture and Agri-Food Canada, and the Atlantic Canada Opportunities Agency, Ottawa, Statistics Canada, March 2000, tables 21 and 22.

Table 5
Migration Flows by Type of Migrant, by Census Division,
West Coast of Newfoundland, 1996–99

	Total Population	Immigrants	Inter prov. In-migrants	Intraprov. In-migrants	Aggregate Inflow	Emigrants	Interprov. Out- migrants	Intraprov. Out- migrants	Aggregate Outflow	Migration Balance	Out-migrations (% of total population)
1996–97	1996										
St. George	25,203	0	510	352	862	6	794	352	1,15	-290	4.57
Humber	45,020	8	689	828	1,525	13	1,449	655	2,11	-592	4.70
Northern Peninsula	23,154	10	234	331	575	5	736	472	1,21	-638	5.24
1997–98	1997										
St. George	24,954	0	434	380	814	4	1,010	338	1,35	-538	5.42
Humber	44,552	7	712	673	1,392	10	1,500	708	2,21	-826	4.98
Northern Peninsula	22,562	9	293	274	576	2	845	496	1,34	-767	5.95
1998–99	1998										
St. George	24,432	0	473	320	793	8	875	314	1,19	-404	4.90
Humber	43,814	31	689	676	1,396	16	1,292	632	1,94	-544	4.43
Northern Peninsula	21,818	15	346	241	602	1	568	441	1,01	-408	4.63

Source: Statistics Canada, Small Area and Administrative Data Division, *Migration Estimates* (91C0025), 1996–99.

of young people. There is little prospect of finding work in the economic region and, furthermore, its northern and southern ends have few educational or training institutions that could keep them there. In the sections that follow, we will see how the economic context contributes to shaping this demographic profile.

Employment Sectors

The West Coast of Newfoundland is a vast rural region in which economic activity has always been closely tied to the development of natural resources. The sea washes this coast from north to south, and the forest occupies the south-central part of the region. Fishing and forestry operations therefore provide the backbone of its economy. The last twenty-five years, however, have seen a shift in the employment structure towards services, as shown in table 6. First, it can be seen that the total number of jobs in the region rose from 21,917 to 27,500 between 1971 and 1996, representing an increase of 25 percent. By comparison, the number of jobs at the national level increased by 78 percent. It can also be seen that the region's economy sagged in the primary sector, and in the processing, construction, and transportation and communication sectors.

Trade was the principal employment sector on the West Coast of Newfoundland in 1991 and in 1996, to say nothing of its slight growth of two percentage points in 1996, reaching 19 percent. This sector compared favourably with the Canadian average. The retail trade component was largely dominant, with 4,245 of the 5,280 jobs. The large number of small convenience stores undoubtedly counts for something in this predominance of retail trade. Many socio-economic stakeholders interpret this as an inability on the part of entrepreneurs to surmount the psychological barrier of innovation. However, it must be allowed that the scattered nature of the population makes a fairly large number of retail businesses a necessity, particularly in small regional centres.

Two sectors had a pronounced decline in their share of employment: manufacturing, which saw its share of regional jobs fall from 15 to 10 percent, and construction, which lost half its share, falling from 12 to 5 percent. Where the manufacturing sector is concerned, the region to some extent followed the Canadian trend, losing its relative importance in the industrial structure. In the case of construction, however, the radical drop in the region is in contrast to the sector's relative stability at the national level.

Figure 1 shows a breakdown of jobs between the primary, secondary, and tertiary sectors in 1996. It can be seen that the tertiary sector is largely predominant in the region, with 76 percent of the jobs, roughly the same proportion as at the national level. The difference between the region and the country lies in the primary sector, which is noticeably larger in the region (9 percent) than in Canada as a whole (5 percent); as a consequence, the secondary sector is smaller in the region (15 percent) than in Canada as a whole (18 percent).

Table 6
Jobs by Major Industrial Sectors,
West Coast of Newfoundland and Canada, 1971 and 1996

Industrial Sector	1971				1996			
	West Coast Nfld.		Canada		West Coast Nfld.		Canada	
	Number of Jobs	%	Number of Jobs	%	Number of Jobs	%	Number of Jobs	%
Trade	3,814	17	1,195,327	16	5,280	19	2,318,710	17
Education	1,708	8	631,426	8	3,890	14	1,419,600	11
Manufacturing	3,305	15	1,577,117	21	2,815	10	1,799,015	13
Health and social services	1,375	6	421,792	6	2,670	10	841,705	6
Primary sector	2,529	12	445,287	6	2,445	9	683,580	5
Hotels, restaurants, bed and breakfasts, camping, recreation	1,049	5	412,290	5	2,275	8	1,183,825	9
Public service	1,413	6	615,514	8	1,770	6	815,250	6
Transportation and communications	1,874	9	652,587	9	1,725	6	982,125	7
Construction	2,615	12	482,650	6	1,440	5	668,285	5
Personal services	700	3	330,613	4	1,285	5	846,190	6
Finance, insurance, real estate	331	2	344,689	5	845	3	740,010	6
Other	1,053	5	261,044	3	645	2	397,355	3
Advanced services – technology ^a	65	0	62,917	1	195	1	379,555	3
Advanced services – others ^b	85	0	80,901	1	220	1	271,820	2
Total ^c	21,917	100	7,514,155	100	27,500	100	13,347,025	100

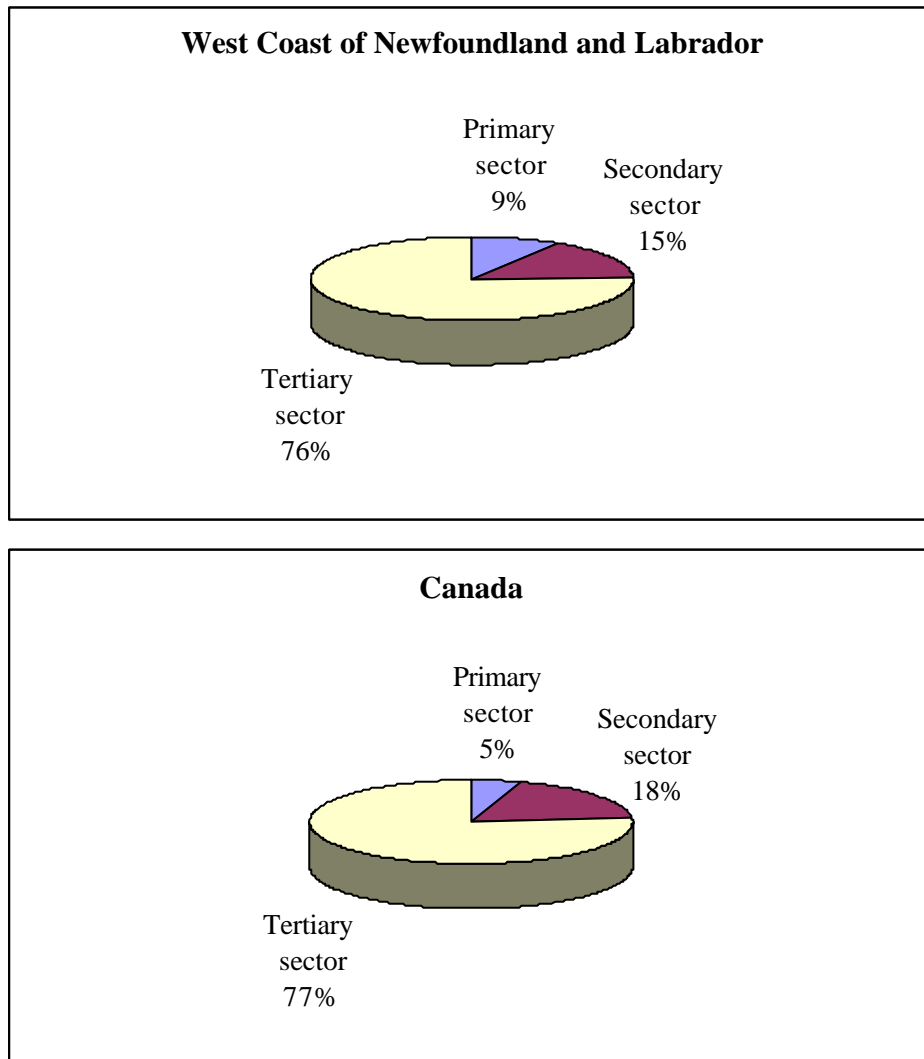
Source: Statistics Canada, 1971 and 1996 censuses; compiled by INRS – UCS.

^a Advanced services related to technology (engineering services, architects, information technology services, management services).

^b Other advanced services (lawyers, notaries, advertising, etc.).

^c Because of rounding, the totals may not add up.

Figure 1
Jobs by Economic Sector,
West Coast of Newfoundland and Canada, 1996



Source: Statistics Canada, 1996 census; compiled by INRS – UCS.

In terms of our comparative research program, the West Coast of Newfoundland ranks fourth (out of eleven regions) where the size of its tertiary sector is concerned, but ranks second last, behind Bas-Saint-Laurent, as regards the relative size of its secondary sector.

Table 7 presents a more detailed picture of the growth of the principal employment sectors in the region, using 1971 as the reference year (1971 = 100). Disregarding the three sectors that dominate by their growth — advanced services (technology), advanced services (others), and the finance, insurance and real estate sector — since their combined relative weight accounts for barely 5 percent of the jobs, it can be seen that four sectors recorded strong growth over the last twenty-five years. Two public sector areas — education, and health and social services — recorded growth rates of 128 percent and 94 percent respectively. They are joined by the tourism and recreation sector, which also doubled its numbers (117 percent), and the personal services sector, which grew by 84 percent. Two sectors experienced moderate growth: first, the public service, which, after doubling its numbers in the 1970s and 1980s, regressed to an overall growth rate of 25 percent in 1996; and second, trade, which, despite its considerable weight, increased by only 38 percent in twenty-five years. Lastly, various sectors showed negative growth: the primary sector, transportation and communications, manufacturing, and construction.

It can therefore be seen that service-related jobs, especially in trade and the public sector, not only account for the majority of jobs, but also had the best growth rates. We will examine these sectors, but, since resource-based jobs are still important from a structural point of view, we will first take a closer look at them.

Natural Resources

Considering the essentially rural and maritime nature of the region, it is surprising that the primary sector is not more dominant on the West Coast of Newfoundland (9 percent of jobs), reflecting the situation in the other Atlantic regions.⁴ Table 8 provides a more detailed picture of this sector, and of the employment sectors involving the primary processing of natural resources. In all, 4,755 jobs, or 17 percent of all jobs in the region, can be attributed to the broad resource development and processing sector. In relation to the other regions under study in our comparative research program, the West Coast of Newfoundland ranks very low where the relative importance of the resources sector is concerned, ahead of only the Bas-Saint-Laurent and Southeast New Brunswick (Moncton). Overall, the resources sector on the West Coast does not even reach the level of the trade

4. The primary sector accounts for 17 percent of jobs in the Prince region of Prince Edward Island, 16 percent of jobs in southwestern Nova Scotia, and 12 percent of jobs in Gloucester County in New Brunswick.

Table 7
Employment Growth by Sector,
West Coast of Newfoundland, Selected Years

Employment Sector	Growth (index 1971 = 100)			
	1971	1981	1991	1996
Advanced services – technology ^a	100	169	277	300
Advanced services – others ^b	100	147	223	259
Finance, insurance, real estate	100	272	262	256
Education	100	183	190	228
Hotels, restaurants, bed and breakfasts, camping, recreation	100	154	183	217
Health and social services	100	148	176	194
Personal services	100	142	183	184
Trade	100	139	151	138
Public service	100	145	206	125
Primary sector	100	136	115	97
Transportation and communications	100	121	101	92
Manufacturing	100	183	116	85
Construction	100	76	54	55
Other	100	65	45	61

Source: Statistics Canada, 1971, 1981, 1991, and 1996 censuses; compiled by INRS – UCS.

^a Advanced services related to technology (engineering services, architects, information technology services, management services).

^b Other advanced services (lawyers, notaries, advertising, etc.).

Table 8
Jobs Related to Natural Resources, by Sector, Canada and
West Coast of Newfoundland, Selected Years

	1971	1981	1991	1996
Primary Sector				
Agriculture	145	180	345	235
Hunting and fishing	1,730	2,020	2,000	1,520
Forestry	520	925	390	370
Mining, oil and gas	135	310	170	320
Secondary Sector – Primary Processing				
Agri-food	215	370	342	250
Fish	715	2,745	1,470	515
Wood	210	110	60	95
Paper	1,575	1,935	1,170	1,215
Other	220	310	280	235
Total resources	5,465	8,905	6,235	4,755
Rest of the economy	16,452	21,775	23,085	22,745
Total Jobs	21,917	30,680	29,320	27,500

Source: Statistics Canada, 1971, 1981, 1991, and 1996 censuses; compiled by INRS – UCS.

sector. Two categories stand out: activities generated by the fishing industry and those generated by forestry.

The fishing industry was the driving force for the colonization of Newfoundland and Labrador. In earlier times, nomadic Paleo-Indians would come to the island in season to fish and to hunt marine mammals. They were followed by other native peoples, then by the Basques, the French and the English settlers. One could even go so far as to say that the province was shaped by this industry, an industry that is still important today, if only because of the deep concerns it arouses in an area that has already felt enough blows.

The data in table 8 allow us to size up this industry. Fishing⁵ and fish processing provided 2,035 jobs in 1996, which was 400 less than 1971, but 2,700 less than 1981 and 1,435 less than 1991. Therefore, half the jobs disappeared in fifteen years. The number of fishers declined by one-quarter between 1991 (2,000) and 1996 (1,520), but the sharpest drop was in the number of processing employees, which fell from 1,470 to 500 in five years. This was in addition to a drop in their numbers in the order of 50 percent between 1981 (2,745) and 1991 (1,470).

The last twenty-five years were rough ones in the fishing industry on the West Coast of Newfoundland, as they were in all of eastern Canada. Table 9 presents the changes in this industry's landings in eastern Canada in the 1990s. The first thing that can be seen is the effect of the groundfish crisis that struck this major region beginning in 1991. In 1992, the full effect of the moratoriums could be felt and it translated into a substantial drop in landed volume. The low point seems to have been reached in 1995, when the landed volume was some 638,000 metric tons, half what it was in 1990. However, a contrary trend is observed in the landed value, which reached a peak of \$1.36 billion the same year, up 43 percent over 1990.

Newfoundland and Labrador was one of the first provinces affected by the crisis. Its landed volume fell from 1991 to 1995, then began to recover in 1996. According to the 1999 and 2000 data, the volume seems to have levelled off at around 270,000 metric tons.⁶ Newfoundland and Labrador promptly lost its top ranking among the eastern provinces to Nova Scotia, which has remained the leader to this day. Contrary to the trend in volumes, landed value by province has grown continuously since 1993. In 1998, Newfoundland and Labrador's landed value reached \$414 million, and in 2000, \$581 million, twice what it was in 1990.⁷

These opposite trends in landed volume and landed value show that the industry achieved some diversification of the species caught, in particular shrimp

5. Jobs generated by fishing and hunting are combined in this category, but the number of commercial hunters is negligible.

6. Province of Newfoundland and Labrador, *Fact Sheets, 1999 and 2000*, Department of Fisheries and Aquaculture, www.gov.nf.ca/fishaq/Industry/Fact.htm (consulted on 24 September 2001).

7. *Ibid.*

Table 9
Volume and Value of Commercial Fish Landings,
Eastern Canada, 1990–98

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Newfoundland									
Volume (metric tons)	545,423	424,808	285,595	247,602	138,237	138,606	195,346	215,467	266,950
Value (\$000)	279,474	261,972	199,177	209,112	225,343	345,818	289,758	328,737	413,937
Prince Edward Island									
Volume (metric tons)	71,504	59,645	47,372	43,370	47,635	47,501	53,726	57,916	54,097
Value (\$000)	62,093	70,612	79,715	73,708	93,353	115,545	100,956	112,665	111,314
Nova Scotia									
Volume (metric tons)	493,382	517,335	492,930	402,418	340,155	271,064	279,331	299,840	297,395
Value (\$000)	444,861	498,239	511,572	478,255	504,555	512,157	466,227	511,817	540,502
New Brunswick									
Volume (metric tons)	157,789	116,785	126,492	122,040	142,170	133,436	107,346	110,941	110,630
Value (\$000)	93,334	97,153	104,850	106,625	174,542	208,439	157,906	147,154	129,906
Quebec									
Volume (metric tons)	74,330	73,872	70,426	58,553	51,230	47,772	50,691	51,156	49,378
Value (\$000)	74,137	86,042	88,881	91,560	130,026	177,274	134,036	114,196	98,777
Eastern Canada									
Volume (metric tons)	1,342,428	1,192,445	1,022,815	873,983	719,427	638,379	686,440	735,320	778,450
Value (\$000)	953,900	1,014,018	984,195	959,260	1,127,819	1,359,233	1,148,883	1,214,569	1,294,436

Source: Fisheries and Oceans Canada data, compiled by Maurice Beaudin, *Towards Greater Value: Enhancing Eastern Canada's Seafood Industry* (Moncton: Canadian Institute for Research on Regional Development, Maritime Series, 2001), Appendix B.

and crab, which have higher value than the lamented groundfish. Since 1997, inshore shrimp fishing has taken over from deep sea shrimp fishing in Newfoundland and Labrador, although catches of the latter were limited: about 16,000 metric tons in 1996, compared with 4,000 metric tons for inshore shrimp.⁸ After inshore fishers were allocated more generous quotas, over 75,000 metric tons were taken in 2000. In the wake of this new fishing activity, crab landings increased, in turn, from 16,000 to 68,000 metric tons between 1992 and 1999.⁹ Overall, in 2000, crustaceans replaced groundfish as the main species group landed, in terms of both volume (60 percent) and value (75 percent). The other main species landed in 2000 were, in descending order, cod, capelin, herring, and clams/quahog.¹⁰

This picture of the industry at the provincial level is necessarily reflected on the West Coast of Newfoundland. Based on the number of jobs (1,520) in commercial fishing in 1996, the region has a 16 percent share of Newfoundland and Labrador's fishing capacity. Regional data on employment by sector since the 1996 census is not available, but given the emergence of the shrimp fishery as of 1997, an active sector on the West Coast of Newfoundland, it is not unreasonable to think that the regional fishing capacity has increased. According to the recent data from the province's Department of Fisheries and Aquaculture, there were twenty-six active plants there in 2000, including sixteen "core plants," so called because they can process all species landed, as part of a provincial diversification strategy.¹¹

Shrimp fishing has been very successful, particularly in the St. Anthony area, in the Nordic zone. The allocation of a shrimp fishing quota of 3,000 metric tons to St. Anthony Basin Resources Inc., a community economic development corporation, brought a new kind of vitality to this sub-region. SABRI transfers its quota to a third-party licensed fisher, in this case, Nova Scotia-based Clearwater,¹² and collects royalties. As well, Clearwater agrees to have its catches processed by St. Anthony Seafoods, which is jointly owned by SABRI (25 percent), Iceland interests (25 percent), and Clearwater, which operates a modern plant in this village. SABRI reportedly derives about a million dollars annually

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8. Province of Newfoundland and Labrador, *The Economy, 2001*, Department of Finance, March 2001, 14.
 9. Province of Newfoundland and Labrador, *Industry Overview: Post Moratorium (1992-99)*, Department of Fisheries and Aquaculture, www.gov.nf.ca/fishaq/Industry/post.htm (consulted on 24 September, 2001).
 10. Canada, *Atlantic Coast Commercial Landings*, Fisheries and Oceans Canada, www.dfo-mpo.gc.ca/communic/statistics/landings/2000aqf.htm (consulted on 24 September, 2001).
 11. Province of Newfoundland and Labrador, *2000 Seafood Industry Year in Review*, Department of Fisheries and Aquaculture, www.gov.nf.ca/fishaq/Publications/2000yir/contents.htm (consulted on 25 September, 2001).
 12. Clearwater was recently bought out by Fishery Products International, a Newfoundland-based company.

from this novel arrangement.¹³ Thus, SABRI has been able to reinvest in the local processing plant, which had been forced to shut down as a result of the groundfish moratorium. As well, SABRI uses its funds as venture capital to attract investors into the region, particularly in the light manufacturing industry and industries that add value to natural resources. It should be noted, however, that the shrimp fishery is vulnerable to fluctuations in both catches and markets. During the summer of 2001, a temporary moratorium had to be imposed because of the low demand on European markets.

Aquaculture is not yet highly developed on the West Coast, but it is the subject of a number of innovative projects. There are about twenty licensed aquaculture sites in the region, representing a very small share of Newfoundland and Labrador's production, which accounts for only one-tenth of eastern Canada's aquacultural production.¹⁴ Some interesting initiatives are under way, however, aimed at raising to maturity young cod caught in the wild.

While fishing is no longer the West Coast of Newfoundland's leading industry, it is still on the mind of all economic stakeholders in the region. The current socio-economic and demographic crisis is largely due to the decline of fishing, and the hopes for an economic renewal are also pinned on this industry. We will come back to this point in the last section of this study.

The forest industry also has a strong presence on the West Coast of Newfoundland. Table 8 shows that in 1996 there were 370 forestry workers in the region, down 30 percent from 1971. This is therefore not a key employment sector in the region. The processing of forest products, on the other hand, is more significant. The pulp and paper industry employed some 1,200 people in 1996, down 23 percent from twenty-five years earlier, and down 37 percent from its peak in 1981. These jobs are concentrated in two regional paper mills: the Kruger mill in Corner Brook, and the Abitibi-Consolidated mill in Stephenville. Both are modern facilities that have trimmed quite a number of employees over the years. The mills have included wood chips in their inputs to ensure a better supply, and paper recycling feasibility studies are currently under way.¹⁵ Significant sums are still being invested in these two mills, which implies continuity in the medium term. The Roddickton area, in the Nordic zone, also has forestry operations, with two sawmills and a particleboard manufacturing plant. In the region as a whole, the stakeholders nevertheless express some fear that these plants may run short of raw materials in the medium term.

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13. According to promoters, the only precedent for the SABRI initiative would be similar arrangements in some Inuit communities in Labrador. Interview in St. Anthony, 22 June 2001.
 14. Maurice Beaudin, *Towards Greater Value: Enhancing Eastern Canada's Seafood Industry* (Moncton: Canadian Institute for Research on Regional Development, Maritime Series, 2001), 78.
 15. According to a representative of the Humber Economic Development Board, during an interview in Corner Brook, 27 June 2001.

The rest of the natural resources sector is very weak. In 1996, there were 235 agricultural jobs and 250 agri-food processing jobs. Although the economic stakeholders would like to see some new initiatives in the agriculture industry, a drop of 200 jobs in these sectors since 1991 is not a good sign. With regard to mining and energy, Newfoundland and Labrador has been touting the offshore potential for some years, but no significant development has yet taken place in the western region. A number of oil deposits have been identified inland in the region, and exploration activities are currently under way at a dozen or so sites. A pumping well went up in the Port-au-Port area in 2001 and there are hopes it will be a source of local development. As well, there are seven working mines in the region.

The provincial government is counting a lot on mining to get the West Coast's rocky economy back on a firm footing, but it has also encouraged the fisheries industry to diversify the species landed and to increase the value added in processing. These are promising avenues.

Public Sector

The public sector plays an important role in the dynamics of employment, particularly in peripheral regions, where it contributes to a significant increase in wages and salaries. The "public sector" category includes jobs in the areas of education, health and social services, and the public service (see table 10). This aggregate represents 8,330 jobs on the West Coast of Newfoundland, or 30 percent of the regional jobs. Together, these three sectors make up the principal employment category, ahead of trade. Among the regions under study in this comparative research program, the West Coast of Newfoundland ranks first in terms of the relative importance of its public sector, followed by Gaspésie.

At the regional level, the public sector practically doubled between 1971 and 1996, growing from 4,495 to 8,330 jobs. A closer look, however, shows that the public service *per se* had been experiencing a period of sustained growth that came to an abrupt end, with the number of jobs climbing from 1,400 to 3,000 between 1971 and 1991, then dropping to 1,770 in 1996. In this, Newfoundland and Labrador followed the Canadian trend, which was characterized by significant reductions in public service employees in the 1990s. The education and health and social services, meanwhile, continued to grow.

The reason the public sector accounts for such a large share of the jobs in the region under study is that the other employment sectors record weak, if not negative, growth. Indeed, it can be seen in table 10 that the rest of the economy suffered a decline of about 20 percent between 1981 and 1996. Overall, there was negative economic growth, the effect of which was to inflate the relative share of public sector jobs. In spite of the decline in population noted at the beginning of this study, these jobs remain necessary because of the scattered nature of the regional population.

Table 10
Public Sector Jobs, by Sector, Canada and
West Coast of Newfoundland, Selected Years

	1971		1981		1991		1996	
	Canada	West Coast Nfld.	Canada	West Coast Nfld.	Canada	West Coast Nfld.	Canada	West Coast Nfld.
Education	631,426	1,708	936,444	3,118	1,252,785	3,250	1,419,600	3,890
Health and social services	421,792	1,375	602,302	2,037	805,254	2,424	841,705	2,670
Public service	615,514	1,413	830,997	2,045	1,015,288	2,908	815,250	1,770
Total public sector	1,668,732	4,495	2,369,742	7,200	3,073,327	8,583	3,076,555	8,330
Rest of the economy	5,845,423	17,422	8,559,929	23,479	9,742,312	20,737	10,270,470	19,170
Total ^a	7,514,155	21,917	10,929,671	30,679	12,815,639	29,320	13,347,025	27,500
Public sector share (% of total)	22	21	22	23	24	29	23	30

Source: Statistics Canada, 1971, 1981, 1991, and 1996 censuses; compiled by INRS– UCS.

^aBecause of rounding, the totals are not exact.

Dynamic Industries

The new economy is based mainly on service sector jobs. The term “dynamic services” is used to designate jobs in the areas of distribution, trade, business services, and finance, insurance and real estate. In addition, the medium or high value-added manufacturing sector remains a central element of the new economy, insofar as its products involve high technological input. For the purposes of this study, we include all these employment sectors in the dynamic industries category.

In twenty-five years, this aggregate grew by 515 jobs, but its relative share of all the jobs decreased from 16 to 14 percent (see table 11). At the national level, however, this industry aggregate represents one-quarter of the jobs. It has practically doubled in absolute terms and has achieved a slight relative growth (from 25 to 26 percent). It is the decline or weak growth of the transportation, communication and wholesale trade sectors that have led to a drop in the region. The strongest sectors are the finance, insurance and real estate sectors and the advanced services (technology) sector, although in the latter case there are not very many jobs.

The transportation sector is nonetheless a key component of the economy of the West Coast of Newfoundland. The Trans-Canada Highway creates a west-east link across the southern part of this region between the Port-aux-Basques ferry service and the capital St. John's, located on the opposite site of the island. The flow of goods and tourists through the region is therefore significant, although it does not seem to translate into an infrastructure or more jobs.

Fortunately, the ferry service remained in the hands of Marine Atlantic, a Crown corporation, which helped to curb the loss of jobs, unlike what happened in the other Atlantic Provinces, where ferry service was also privatized. In addition, steps are being taken to establish a service to ship goods by sea between Corner Brook and Belledune, New Brunswick. This freight ferry service would allow easier access to the continental market, as the Port of Belledune is linked to the railway. However, as economists point out, a link runs both ways, and this ferry link would open the region up even more to imports.

The region has three airports. The one in St. Anthony is a local airport, but has not been transferred to private interests. Those in Deer Lake and Stephenville are regional airports and have been transferred to private interests; their survival is in doubt, given the turbulence in the air industry lately. The Newfoundland and Labrador Railway, for its part, was closed in 1988, after ninety years of operation.

These few data on dynamic industries do not provide any expectation that the knowledge-based economy will take the region by storm. It is known that these industries tend to prefer metropolitan areas, where there is an abundant supply of skilled personnel and business services. In this regard, the West Coast of Newfoundland does not yet have much to offer, but as we will see in the final section, a number of socio-economic stakeholders, in spite of everything, are not afraid to consider the possibility of a technological conversion.

Table 11
Jobs in Dynamic Industries, by Sector, Canada and
West Coast of Newfoundland, 1971 and 1996

Sector	1971				1996			
	Canada		West Coast Nfld.		Canada		West Coast Nfld.	
	Number of Jobs	%	Number of Jobs	%	Number of Jobs	%	Number of Jobs	%
Manufacturing – medium value added	382,616	5	65	0	527,225	4	105	0
Manufacturing – high value added	113,864	2	25	0	160,565	1	60	0
Transportation	397,945	5	1,230	6	539,205	4	1,080	4
Communications	254,643	3	644	3	442,920	3	645	2
Finance, insurance, real estate	344,689	5	331	2	740,010	6	845	3
Advanced services – technology	62,917	1	65	0	379,555	3	195	1
Wholesale trade	329,305	4	1,090	5	714,100	5	1,035	4
All dynamic industries	1,885,979	25	3,450	16	3,503,580	26	3,965	14
Rest of the economy	5,628,177	75	18,467	84	9,843,445	74	23,535	86
Total^a	7,514,155	100	21,917	100	13,347,025	100	27,500	100

Source: Statistics Canada, 1971 and 1996 censuses; compiled by INRS – UCS.

^a Because of rounding, the totals do not add up.

The preceding data show the employment picture up until the 1996 census. The situation has changed somewhat since then. For example, we know that, in the economic region of the West Coast of Newfoundland,¹⁶ the number of jobs rose from 39,000 to 43,000 between 1996 and 2000.¹⁷ It is therefore to be anticipated that the economic upswing will have altered this picture somewhat. But for now, let us turn our attention to the labour market participation and the incomes reported in this region.

Labour Force Participation and Income

The participation and unemployment rates we have just seen are, of course, reflected in the economic performance of the West Coast of Newfoundland. Table 12 shows that with a participation rate of 55.1 percent in 2000, the region is barely ahead of last-place Bas-Saint-Laurent and Gaspésie. However, the West Coast has made substantial gains since 1994, and is no worse off than the province as a whole, which posted a similar participation rate of 55.8 percent.

The unemployment rate completes this picture (see table 13). On the West Coast that rate was 17.8 percent in 2000, and was surpassed only by the Gaspésie (20.0 percent). It is true, however, that the unemployment rate has fallen substantially on the West Coast since 1993, when it reached 24.4 percent in the wake of the groundfish moratorium. Also the unemployment rate has historically been higher on the West Coast of Newfoundland than in the province as a whole, except in 1995. This high unemployment rate, combined with a low participation rate, means that much of the labour force is unemployed, and that the number of individuals holding jobs is not very high throughout the year.

The status of the labour force is reflected in income. Table 14 shows that the average income per resident on the West Coast was \$12,497 in 1996, i.e., 67.6 percent of the national average. Despite that poor showing, it must be remembered that the average income per resident has been growing steadily in the region since 1971, when it was only half the national average income.

An analysis of income sources is instructive. Table 15 shows that in 1996, labour income in the region under study accounted for 59 percent (rural) to 71 percent (urban) of total income. That percentage has fallen from 1991 figures, when it varied from 65 percent (rural) to 76 percent (urban), a drop that can be correlated with a higher unemployment rate in 1996, as table 13 shows. A comparison of the region's reliance on transfers with Canada as a whole shows that the West Coast's dependence is between seven and eight percentage points higher in urban areas, and between fourteen and sixteen percentage points higher in rural areas.

16. Here, the West Coast of Newfoundland and Labrador refers to one of the economic regions defined by Statistics Canada.

17. Statistics Canada, CANSIM, *Labour Market Survey*, table 279-0006.

Table 12
Labour Force Participation Rate (%), by Economic Region, 1987–2000

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Canada	66.4	66.8	67.2	67.1	66.5	65.7	65.4	65.2	64.9	64.7	64.9	65.1	65.6	65.9
Newfoundland	54.1	55.1	56.0	56.7	56.2	54.2	53.6	53.6	53.0	52.1	52.5	53.9	56.3	55.8
030 - West Coast-Northern Peninsula and Labrador	58.3	56.3	57.3	55.5	55.5	53.4	51.0	54.0	51.4	51.5	51.3	53.0	55.2	55.1
Prince Edward Island	63.2	64.2	65.2	65.4	64.9	65.6	65.3	65.3	65.1	66.0	66.1	65.7	66.4	66.9
Nova Scotia	59.9	60.7	61.3	62.0	61.6	60.2	60.2	60.2	59.6	59.5	59.9	60.7	61.0	61.7
240 - Southern	51.1	55.6	55.6	57.2	57.4	57.2	54.4	54.9	53.3	53.0	55.5	56.5	58.7	56.6
New Brunswick	58.4	59.1	59.9	60.0	58.6	58.9	59.1	58.6	59.4	58.6	59.9	60.7	61.0	61.6
310 - Campbellton-Miramichi	51.7	51.4	53.2	53.7	50.2	49.3	50.6	50.7	52.4	51.4	56.1	55.4	54.0	55.2
320 - Moncton-Richiboucto	60.8	60.8	61.3	61.4	61.0	62.5	62.4	60.7	63.5	64.1	62.7	62.7	63.7	64.8
350 - Edmundston-Woodstock	56.5	58.4	58.3	55.9	52.7	54.4	54.9	57.4	56.9	54.7	57.4	60.2	60.5	61.3
Quebec	63.5	63.7	64.1	64.2	63.5	62.5	62.2	62.3	62.1	61.9	62.1	62.6	62.8	63.2
410 - Gaspésie-Îles-de-la-Madeleine	49.4	52.0	52.5	47.4	45.6	43.8	46.1	47.2	46.3	45.5	51.1	49.5	50.3	51.5
415 - Bas-Saint-Laurent	55.7	56.2	53.1	55.3	57.6	55.9	54.6	56.7	57.4	57.1	57.9	54.9	57.6	54.2
465 - Abitibi-Témiscamingue	58.1	62.1	64.3	60.9	60.4	59.5	59.0	59.9	62.1	61.4	63.7	61.9	62.8	63.6
475 - Saguenay-Lac-Saint-Jean	57.8	57.4	55.8	59.0	58.8	57.3	56.8	53.9	57.5	57.2	57.9	58.1	59.7	59.5
480 and 490 - Côte-Nord, Nord-du-Québec	61.9	64.8	66.1	68.9	66.9	62.3	63.0	63.8	63.5	62.5	62.4	58.3	63.8	62.3

Source: Statistics Canada, *LabourForce Historical Review*, 2000 (CD1T30AN).

Table 13
Unemployment Rate (%), by Economic Region, 1987–2000

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Canada	8.8	7.8	7.5	8.1	10.3	11.2	11.4	10.4	9.4	9.6	9.1	8.3	7.6	6.8
Newfoundland	18.1	16.2	15.5	16.9	18.0	20.2	20.4	20.2	18.1	19.3	18.6	18.0	16.9	16.7
030 - West Coast-Northern Peninsula and Labrador	23.0	19.5	16.1	17.6	19.5	22.2	24.4	22.5	17.6	21.0	18.9	19.8	19.3	17.8
Prince Edward Island	12.5	12.4	13.7	14.6	16.7	18.1	17.6	17.2	15.0	14.7	15.4	13.8	14.4	12.0
Nova Scotia	12.1	10.2	9.8	10.5	12.1	13.2	14.3	13.5	12.1	12.3	12.1	10.5	9.6	9.1
240 - Southern	10.5	8.3	7.8	8.9	10.9	11.2	12.1	12.8	12.2	12.1	12.1	12.0	10.4	9.8
New Brunswick	13.2	11.9	12.1	12.1	12.8	13.0	12.5	12.4	11.2	11.6	12.7	12.2	10.2	10.0
310 - Campbellton-Miramichi	15.4	14.9	16.3	17.4	17.2	18.1	17.9	18.3	14.0	13.7	17.0	19.0	16.7	16.1
320 - Moncton-Richiboucto	13.7	10.9	11.1	11.5	11.6	12.1	12.1	11.7	11.6	12.4	12.7	11.0	9.5	8.6
350 - Edmundston-Woodstock	11.9	11.7	12.4	11.0	13.0	11.6	9.5	8.8	9.6	8.9	10.5	10.2	8.9	8.9
Quebec	10.2	9.5	9.6	10.4	12.1	12.7	13.3	12.3	11.4	11.9	11.4	10.3	9.3	8.4
410 - Gaspésie-Îles-de-la-Madeleine	16.4	16.4	19.7	20.4	18.2	21.0	22.1	21.6	20.6	18.7	23.5	22.0	20.8	20.0
415 - Bas-Saint-Laurent	12.3	12.4	13.4	13.0	14.7	14.5	16.3	15.3	13.1	14.1	16.2	13.6	10.2	10.3
465 - Abitibi-Témiscamingue	8.7	9.7	11.0	13.3	13.8	13.7	14.0	12.9	11.5	10.9	14.4	15.0	13.4	11.7
475 - Saguenay-Lac-Saint-Jean	13.6	13.1	12.0	13.2	14.9	14.8	15.7	14.9	14.6	14.3	14.5	14.3	11.5	10.4
480 and 490 - Côte-Nord, Nord-du-Québec	12.5	11.8	11.1	10.9	15.5	12.9	14.4	14.5	13.4	15.1	14.8	14.0	14.4	12.6

Source: Statistics Canada, *LabourForce Historical Review*, 2000 (CD1T30AN).

Table 14
Average Income per Capita, Canada and
West Coast of Newfoundland, Selected Years

	1971	1981	1991	1996
Canada	\$2,701	\$8,529	\$17,271	\$18,473
West Coast Nfld.	\$1,444	\$5,193	\$11,325	\$12,497
West Coast Nfld./Canada (in %)	53.5	60.9	65.6	67.6

Source: Statistics Canada, census data from 1971, 1981, 1991, and 1996; compiled by INRS –UCS.

Table 15
Income Distribution, by Source, Canada and
West Coast of Newfoundland, 1991 and 1996

Source of Income	1991								1996							
	Rural Canada		Urban Canada		West Coast Nfld.		West Coast Nfld.		Rural Canada		Urban Canada		West Coast Nfld.		West Coast Nfld.	
	\$/res.	%	\$/res.	%	\$/res.	%	\$/res.	%	\$/res.	%	\$/res.	%	\$/res.	%	\$/res.	%
Employment income	10,114	73	14,400	79	6,588	65	10,316	76	10,888	70	14,791	76	6,624	59	10,555	71
Income from federal transfers	2,233	16	1,918	10	3,059	30	2,307	17	3,081	20	2,477	13	4,052	36	3,079	21
Other income	1,462	11	1,997	11	418	4	950	7	1,542	10	2,137	11	570	5	1,173	8
Total income	13,810	100	18,315	100	10,065	100	13,573	100	15,511	100	19,405	100	11,246	100	14,807	100

Source: Statistics Canada, census data from 1991 and 1996; compiled by INRS – UCS.

There is no doubt that employment insurance was a key factor in that reliance on transfers in the 1990s. The region also benefited hugely from the Atlantic Groundfish Strategy, the workforce retraining initiative created in 1994 in response to the groundfish moratorium. Although the Strategy targeted all of eastern Canada, two-thirds of its clients lived in Newfoundland and Labrador. In the North, between 15 and 20 percent of the population fifteen years of age and over were recipients of the program. The funds paid out in the province under the Strategy during the groundfish crisis equalled social assistance funds.¹⁸ Since the program ended, employment insurance has taken up the slack, but the “black hole” problem, i.e., the period between the cessation of benefits and the beginning of a work period, is still a structural problem in the region.¹⁹ Newfoundland and West Coast, like several other peripheral regions elsewhere, suffers from chronic dependence on transfers.²⁰

One of the problems facing the West Coast, given the groundfish crisis is the fact that the labour force has to adapt to new economic circumstances. We will now look at that issue more closely.

Education and Skills

There is no doubt that education and skill-building are key factors in socio-economic development. Today’s “knowledge” economy requires human resources with solid skills. This is true in all areas, and resource-based regions are no exception. Agriculture, forestry and fishing all use technology requiring new skills on the part of workers. On Newfoundland West Coast, which is characterized by its fishing industry, it is interesting to note that the professionalization of fishers, an initiative led by the Newfoundland Professional Fish Harvesters Certification Board, in cooperation with the Canadian Council of Professional Fish Harvesters, focuses first and foremost on training, ranging from core skills (reading, writing, math, and communication) to the use of technology, an understanding of regulations and environmental information, and business management.

Table 16 shows the remarkable progress made on the West Coast of Newfoundland in the area of training. The number of individuals fifteen years of age and over who have not reached ninth grade fell from 47 to 21 percent between 1971 and 1996, following the trend in Canada as a whole, and outperforming several other regions studied as part of this comparative research project.

18. Province of Newfoundland and Labrador, *The Atlantic Groundfish Strategy: An Analysis of the Program on a Regional Basis*, Department of Finance, Economics and Statistics Branch, www.gov.nf.ca/publicat/tags/default.htm (as of 27 September 2001).

19. The local name for this problem is *Road Blocks Season*, because of the frustrations that build during that period, resulting in road blocks.

20. J.D. House states that “...dependency had become a way of life...” in Newfoundland and Labrador, and that the province’s economy had become “transfer-driven,” in *Against the Tide...*, 19 and 154.

Table 16
Level of Education, Fifteen Years of Age and Over, Canada and
West Coast of Newfoundland, Selected Years

Education Level	1971				1981				1991				1996			
	Canada		West Coast, Nfld.		Canada		West Coast, Nfld.		Canada		West Coast, Nfld.		Canada		West Coast, Nfld.	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less than grade nine	4,744,840	31.2	26,970	47.1	3,731,170	20.0	23,445	33.8	2,959,765	13.9	17,190	23.4	2,727,085	12.1	15,080	20.7
University degree	719,890	4.7	800	1.4	1,490,040	8.0	2,650	3.8	2,419,645	11.4	3,720	5.1	3,000,675	13.3	4,305	5.9
Certificate or diploma in appl. sc., eng., agr., math or phys. sciences									905,230	4.2	1,245	1.7	1,107,880	4.9	1,635	2.2
Diploma or certificate from trade or technical school									1,799,415	8.4	6,730	9.1	1,999,465	4.8	7,670	10.5

Source: Statistics Canada, census data from 1971, 1981, 1991, and 1996; compiled by INRS – UCS.

In the area of education, in fact, the West Coast places fifth of the eleven regions studied,²¹ proof of Newfoundland and Labrador's considerable efforts in the area of literacy, and given the post-moratorium context, making it an exemplary case in Canada.

The university graduation rate is a key indicator of the ability of the labour force to make the shift to the knowledge economy. In that respect, the West Coast again made remarkable progress. The number of university graduates has quintupled since 1971, from 1.4 to 5.9 percent of the population fifteen years of age and over. Nonetheless, the percentage of university graduates in 1996 remained well below the Canadian average, and only just reached the national level of twenty-five years ago. Compared with the other regions studied, Newfoundland and Labrador places last, along with the Gaspésie and southwestern Nova Scotia. The percentage of persons on the West Coast with a degree in the sciences is a meagre 2 percent. However, 10.5 percent have technical training.

The region's higher learning profile can be explained by the distribution of training facilities across the huge expanse of the West Coast of Newfoundland. The region has one campus of Memorial University, Sir Wilfred Grenfell College, in Corner Brook, with approximately 1,200 students.²² The College offers undergraduate degree programs in nursing, science (environmental and forestry sciences), arts (English, environmental studies, history, humanities, psychology, and social and cultural studies), and the fine arts (theatre and visual arts). There is some research and development capacity, made possible by funding from the Atlantic Canada Opportunities Agency (ACOA). For technical training, the region has four campuses of the College of the North Atlantic, in St. Anthony, Corner Brook, Stephenville, and Port-aux-Basques, offering a variety of programs.

Provincial spending on college and university education fell between 1988–89 and 1998–99 (10 and 6 percent respectively) compared with increases nationally (13 and 7 percent).²³ Given the challenge involved in raising the level of education, the number of degrees and the skills of its workforce, it can only be hoped that the province will increase its investments in education.

The above figures paint a fairly gloomy picture of the demographic and socio-economic vitality of Newfoundland West Coast, and the region's problems are a challenge. In the next section, we will look at the challenges raised by community stakeholders.

21. There is a greater difference between the national average and the Gaspésie (29 percent), Gloucester (26 percent), Madawaska (23 percent), Abitibi-Témiscamingue (23 percent) and the Bas-Saint-Laurent (22 percent), than between the national average and Newfoundland West Coast (which is the same as Quebec's North Shore).

22. Memorial University, Sir Wilfred Grenfell College, galaxy.swgc.mun.ca (as of 10 October, 2001).

23. Canadian Education Statistics Council, *Education Indicators in Canada* (Ottawa, February 2000), 226.

II

THE CHALLENGES OF ECONOMIC DEVELOPMENT

It is our belief that the challenges of economic development must first be determined by regional economic players. Those challenges may consist of overcoming problems or drawing on collective ideals, but they should be based on the implementation of a number of initiatives. A researcher can, in the best-case scenario, help point out those challenges, but they have no real value unless they are rooted in the realities experienced by the players themselves. For that reason, we have based the elements in this second section on discussions we had with socio-economic stakeholders on Newfoundland West Coast.²⁴ We selected seven major challenges that reflect the main problems to be overcome, and identified the region's assets in terms of socio-economic development.

Streamlining Community Economic Development

There are numerous stakeholders involved in socio-economic development on the West Coast of Newfoundland, and most of them told us that there is some confusion, and overlapping, in analysis, planning, policy development, and support for development initiatives. Each stakeholder has a clear picture of their role, but limited understanding of how the various roles fit together. We were expressly told, on a number of occasions, that there is confusion over who does what. J.D. House writes that, rather than being integrated and coordinated, the levers of economic power within the province are distributed among several different agencies, both provincial and federal, and administered by different individuals with different and sometimes conflicting ideas about economic development and spending priorities.²⁵

Who are the players? They represent all levels of government. Federally, ACOA is mandated to foster business and job creation, and has two regional officers on the West Coast. ACOA supports, for example, the network of Community Business Development Corporations (CBDC) and helps fund major projects. It also funds the regional development boards (see below). A focus on the region's specific needs combined with support from ACOA is generally seen as an appropriate approach.

CBDCs are mandated to create small rural businesses and help existing businesses grow, and their services include loans, loan guarantees, funding and advice. They generally function alongside existing development corporations. There

24. "We" means not only the person who wrote this regional study, but the members of the INRS team who conducted field studies and, in particular, our colleague Maurice Beaudin of the CIRRD, whose advice was of great assistance.

25. House, *Against the Tide...*, 100.

are four CBDCs in the West Coast of Newfoundland — in Port-aux-Basques, Stephenville, Corner Brook, and Plum Point.

Human Resources Development Canada (HRDC) also plays an important role in several areas of socio-economic development. The Atlantic Groundfish Strategy implemented by HRDC, together with its employment insurance policies and job creation efforts, have had a significant impact on the living conditions of many people.

The role played by the Department of Fisheries and Oceans (DFO) in the region is obviously a sensitive one. The 1992 moratorium sent a shockwave through the region, creating uncertainty.

At the provincial level, the main stakeholder is the Department of Industry, Trade and Rural Development, which has approximately fifteen officers assigned to the western coast. Its services include advice to small- and medium-sized businesses, and financial assistance in the form of tax credits or subsidies. This department was responsible for supervising the economic zones in their first few years of operation. Zonal boards also receive funding from ACOA. There are twenty zones, five of which are located in the western part of the province, each with a zonal, or regional development board. They are truly the linchpins of regional development. When they were created five years ago, they were supposed to gradually replace the regional development associations that had been in place for twenty years, and which, according to some, became merely vehicles for creating temporary jobs to be used to qualify for employment insurance benefits.²⁶

The mandate of the new boards, whose members come from within the region, is essentially to plan development within their zones, identify business and job creation opportunities, and coordinate the activities of various stakeholders around those objectives. In actual fact, the boards are often criticized, accused of creating another layer of bureaucracy in the development process. Of course, their mandate is not an easy one, and it is all too easy to blame them for the problems plaguing the region. The regional development boards do not have substantial funding, and their strategic planning is no substitute for investment or cold cash from government. Given those realities, their position is a difficult one. When they occasionally venture into offering technical advice to businesses, they run up against the numerous agencies already doing so. Although the boards' mandate remains to be clarified, we found that their staff are generally young and dynamic, which in itself is a valuable asset in restoring balanced participation of various age groups in the region's economic and social development.

In addition to those regional bodies, there are a host of sub-regional and local associations and municipal councils also attempting to revitalize the region's economy.

26. *Ibid.*, 181.

Overall, there is confusion over who exactly is directing development. There are numerous stakeholders involved, duplicating each others' efforts, which sometimes results in unproductive conflicts. At the grass roots level, however, there is some agreement that government officials, both in the provincial capital and in Ottawa, are not sensitive to regional realities. The distance separating the region not only from markets, but also from administrative decision-making centres, is an issue, often raised vigorously. Better understanding by government officials of the effects of distance should, for example, lead to a new policy on transportation subsidies.

Instilling a Sense of Community Cohesiveness and Promoting Entrepreneurship

The previous section could give the impression that all the problems experienced on the West Coast are caused by external factors and people from outside. But that is not the case — stakeholders are also looking at their region with a critical eye. Of course their history as an island province that joined Confederation after much hesitation will inevitably colour their analysis of the current economic situation. For the northern part in particular, the transition from an almost self-sufficient economy based on the seasonal exploitation of sea, land and forest resources, to an industrial economy based mainly on fishing during the 1970s was nothing less than destabilizing. And when that economy was suddenly devastated by the collapse of the fishery in the 1990s, the socio-economic destabilization of the region became clearly apparent. One of the characteristics of that destabilization is the uneven distribution of wealth, because fishing was not just a source of misery, it was a source of wealth.

Today, socio-economic stakeholders want coastal communities to change their economic vocation, participate in job creation, and wean themselves from their reliance on government transfers. Those communities, however, are not necessarily ready or prepared for such a change, and the underground economy is still extensive. The people are still rich in practical skills, and are able to build, maintain and repair their own property. That skill, referred to as being a "self-starter" in other areas, is seen here as a barrier to the region's economic vitality. Countless carpenters, cabinetmakers, plumbers, mechanics, and others, have left the region for better-paying jobs elsewhere, and today there is a shortage of workers in those trades.

Obviously, transactions in the underground economy do not make it into the books. Although it helps provide a certain quality of life in the region, it does not seem to foster entrepreneurship. Yet, entrepreneurship is widely viewed as a development strategy for peripheral regions. Even though, as J.D. House states, some provincial government players do not place as much strategic importance on entrepreneurship as they do on industrial mega projects, the fact remains that

SMEs are at the core of development in dynamic regions.²⁷ On the West Coast, there are few traditions that would encourage people to start their own businesses. Existing models are fishers, some of them rich, but who do not really reinvest in their community, and others who are poor, and do not serve as an inspiration to young entrepreneurs. And there are convenience store owners who barely make ends meet.

There are cultural and structural obstacles that have to be overcome in order to stimulate entrepreneurship in the region. One of the challenges facing the West Coast, or at least its most rural areas, is encouraging communities to work together to generate investment and develop collective projects and even cooperative-type arrangements. Unlike several other regions in eastern Canada, Newfoundland West Coast has never been home to a strong cooperative movement. Local savings are not invested in development, and banks have mostly deserted those areas.²⁸ A cooperative mindset could prove useful in the region's current deep economic slump.

The thorny issue of employment insurance should also be revisited. EI has historically played an equalizing role in the redistribution of national wealth. However, within the context of an economy based on seasonal employment, EI does not always seem to have a stimulating effect, in fact, quite the contrary. What should be considered is a policy that would provide income support for seasonally unemployed workers, and at the same time stimulate complementary economic activity and regional economic growth.²⁹

Structural solutions must also be found. Venture capital is needed to start up new businesses or expand existing ones. This will require building partnerships that bring together foreign and local investors and government funds, given that it does not seem realistic to expect those investors to assume such risks on their own. In addition, local investors must agree to share the risk with co-investors from outside the region, something that, according to our interviewees, has not always been easy in the past.

Furthermore, with respect to the fisheries, the SABRI model used in St. Anthony merits exploration. That model is an ingenious combination of resource development and community economic development, giving the community more control over the distribution of wealth generated by the fishing industry, while generating capital that can be reinvested in the local economy. Of course, such an approach is not without risks if it is dependent on a single resource, as

27. Ibid., 79.

28. We were told that to negotiate a business loan, applicants now have to contact bank branches in Halifax. Interview at Plum Point, 21 June 2001.

29. Regarding this issue, Newfoundland and Labrador has reflected long and hard on income security reform as part of its Royal Commission on Employment and Unemployment, the report of which was tabled in 1986. For a description of that initiative, see House, *Against the Tide...*, chapter 8.

shown by the shrimp crisis in the summer of 2001 in Newfoundland and Labrador.

A final suggestion for stimulating entrepreneurship would be developing business incubators supported by public funds. Those incubators could, in a best-case scenario, be linked with Memorial University's R&D initiatives. Interesting initiatives are already under way, for example, in Pasadena (Venture Centre) and in Port-aux-Basques (IT Centre).

Bringing Young People Back

In exploring the strengths and weaknesses of the current socio-economic climate, we discovered that the challenge of most concern to stakeholders is the exodus of young people. At stake is demographic continuity. The impact of depopulation is being felt in a number of areas where, for example, there are no longer enough students to keep primary and secondary schools open.

Generally, there is some discussion, albeit not very optimistic, of what can be done to keep young people in the region. However, as was carefully pointed out to us, Newfoundlanders have always been somewhat nomadic, and it has not been only since the groundfish crisis that they have sought work in Ontario, Alberta, and Nova Scotia. Rather than developing strategies that will stifle their desire to discover the world and the resulting opportunity to learn and experience life beyond their province, young people who have left should be encouraged to return. Currently, we know very little about the behaviours and motivations of young migrants, but a strategy that takes those factors into account is critical.³⁰ Giving young people more responsibility in regional development, as the zonal boards do, seems to us to be a step in the right direction. Consideration should also be given to the advisability of measures to alleviate the student debt loads of young people who agree to return to the region.

Improving Labour Force Skills

We have mentioned several times the challenge involved in improving the skills of the labour force in the West Coast within the context of the new economy. One example speaks volumes — a modern plant that has problems using its equipment because of its workers' lack of technological skills. The unskilled labour force is composed mainly of older workers who have not acquired the necessary technological skills. Young people have either left or are not interested in seasonal employment.

30. The statistical study conducted by Dupuy, Mayer and Morissette, (*Rural Youth: ...*) provides interesting information. The second part of the research, currently underway, and using a more qualitative methodology, provides even more useful information.

Human resource development is thus essential in today's economy. We believe that it is important that the Memorial University campus in Corner Brook be expanded, particularly in the area of research and development, so as to stimulate training and innovation in the region.³¹ Furthermore, the key role played by the College of the North Atlantic campuses with regard to regional vitality must be underscored.

But more is needed. Literacy is still a considerable problem, despite efforts to date. Associations of professional fishers are doing their part to meet this challenge, including insisting on training in core skills (reading, writing, communication and mathematics) as part of their professional development. Other industries could follow their example.

Diversifying A Resource-based Economy

The West Coast is still a resource-based region. Given that the "knowledge" economy, with its strong emphasis on human resources and technology, has barely taken root in the region, stakeholders have to explore how natural resources can contribute more effectively to regional economic growth. Given the low density and scattered nature of the population, in many areas the challenge is not building a plant that will create 100 jobs, but rather several smaller production units or service-based businesses.

The agri-food sector is one avenue that, although not new, would help the region return to the more diversified economic structure it enjoyed before the advent of intensive fishing. Some sectors that could be considered are sheep breeding operations, and those involving more unusual species such as alpaca. Berry farming and/or harvesting, focusing on regional species (cloudberry, bilberry, black crowberry, mooseberry, and so on) is also a promising niche market. The Dark Tickle company in Griquet, in the northern region, has already developed an international market for its high-end wild berry products.³² Another avenue of potential expansion is aquaculture, i.e., mussels, trout or cod, and seaweed farming has been tested recently as a potential niche market. In all those cases, an additional challenge is, initially, not to focus only on production, but on value-added processing and, secondly, to benefit from transportation subsidies to ship products to continental markets.

In the forestry sector, value-added production has never been a regional tradition, but could open up new markets. Furniture manufacturing, woodcrafts, milled hardwood floors, and recreational boat building, are all avenues worthy of exploration.

31. Based on recent announcements by the provincial government of investments totalling close to \$10 million for the campus, it would appear that the campus is part of the action plan. See Province of Newfoundland and Labrador, *The Economy, 2001*, 33.

32. *The Dark Tickle Company: A Unique Wild Berry Experience*, www.darktickle.com/index.htm (as of 30 September 2001).

The seafood industry, naturally, heads the list in economic diversification. The provincial government has made major efforts to encourage the fishing industry to diversify the catch and promote processing. The strategy seems to be paying off: the increase in the value of landings is inversely proportional to their volume. Seal hunting and processing (leather, fur, oil, meat) are today seen as a profitable venture. Shrimp fishing has been developed extensively in recent years, but a greater degree of local processing is needed. The use of shrimp processing residue could be another option.

And the Knowledge Economy?

We do not believe that the knowledge economy, as it is developing in urban areas, is an easy avenue of growth for Newfoundland West Coast. Information technologies (IT), the stuff of dreams of more than one economic developer, cannot constitute an industry in the region, as they do in industrial clusters in some cities. However, this does not mean that ITs do not have a role to play in the renewal of traditional industries. On the contrary, they are essential to the growth of those industries.

In some specific circumstances, small businesses can offer electronic commerce services or do business over the Internet. Two zonal boards have taken that step. In the Corner Brook/Deer Lake area, the Humber board decided to focus on the IT sector rather than the manufacturing sector, which was becoming less and less attractive because of high transportation costs, which is not an issue in the IT sector. Given its urban location, there is better access to broadband services, facilitating development in that sector. For stakeholders in that economic zone, ITs are a way to entice young university graduates back home. One of the planned applications for that industry is education, with Memorial University and the College of the North Atlantic, among others, becoming content providers.

The other board involved in this sector is in the Port-aux-Basques economic zone. That board's goal is to create a climate and environment conducive to business development in the IT sector. Using high-speed wireless technology, the board has created an incubation centre for new businesses, and hopes to attract young expatriate Newfoundlanders who have become IT experts. The region's real challenge, however, is to make IT a tool for rural regional development.

Overall, the knowledge economy will be able to make only small inroads in Newfoundland and Labrador, no doubt in urban areas. The provincial government seems to share that view, given that it has not promoted that sector as much as other provinces in eastern Canada.

Focusing on Tourism

If there is one resource that is both natural and historic, and that Newfoundland West Coast should exploit, it is the intense beauty of the landscape. The region's

geographic attributes are known far and wide, and it is home to Gros Morne National Park, and two national historic sites (Port-au-Choix, L'Anse-aux-Meadows), and many visitors probably visit another national historic site — Red Bay, in Labrador — via the West Coast. The region also boasts UNESCO world heritage sites: Tablelands, in Gros Morne National Park, and the archaeological site at L'Anse-aux-Meadows.

The northern part of the region is brimming with world-class attractions that draw many tourists. In total, approximately 150,000 tourists visited Newfoundland and Labrador in 2000, arriving via Marine Atlantic Inc. ferries. The 1000th anniversary of the Viking settlement at L'Anse-aux-Meadows was also celebrated, making 2000 an exceptional year. L'Anse-aux-Meadows was the most popular historical site in Newfoundland and Labrador in 2000, attracting 32,000 visitors. Port-au-Choix, a site containing archaeological traces of Amerindian and Paleo-Eskimo cultures, drew 14,000 visitors, and Gros Morne National Park logged 46,700 visitors at its main tourist centre.³³

The West Coast has the advantage of being on the way to those famous parks for a good number of tourists who disembark at Port-aux-Basques or arrive by road from St. John's. Nevertheless, the number of tourists is still fairly low, compared with the million visitors to Prince Edward Island, and the season is relatively short. That is why a major marketing effort is required to stimulate expansion of the tourist industry. The Viking theme seems to have produced results in the northern part of the region, where tourism is up 15 percent, while it is down significantly in other regions of the province (-31 percent at Castle Hill, -54 percent at Cape Spear, etc.). Repeating such a strategy would no doubt be worthwhile.

The regional tourist industry's target clients are older, more educated, and interested in the region's natural and historic attractions. That is why the most dynamic tourist association, the Viking Trail Tourism Association (VTTA) focuses on ecotourism and extending the tourist season into the fall and spring, and even into the winter in some snowy areas. Wildlife viewing (whales, seals, moose, caribou) and iceberg watching, along with nature tours, are ideal for the area, as is developing its Aboriginal, Basque and French heritage. According to the VTTA, implementing new infrastructures is not what is important. What is needed is more investment in marketing, and in better training for the people who will welcome and guide tourists. The VTTA is looking to the success of Iceland, where tourism efforts focus on marketing, and where infrastructure is almost non-existent.

33. Province of Newfoundland and Labrador, *1999/2000 Travel/Tourism Indicators for Newfoundland and Labrador*, Department of Tourism, Culture and Recreation, February 2001.

One tourism-related sector is souvenir and crafts sales. According to the stakeholders we interviewed, most of the items sold are imported from Asia, which means there is a market to be developed for local products.

Various stakeholders hope that the region will soon have a new influx of tourists from the north as a result of an extension of the highway that will link Quebec and Labrador. A number of other stakeholders, however, are cautious about overly high expectations of tourism. The industry can only complement the regional economy, not replace it.

CONCLUSION

The West Coast of Newfoundland wears its heritage proudly, and is keenly aware of the road it has travelled, with all its obstacles, successes and disappointments, since joining Confederation. Evolving from an economy stemming from the fur trade in colonial times, then as a settlement reliant on the rich resources of the sea and the forests, and next a Canadian region dependent on intensive fishing effort, this region today finds itself having to meet the challenge of building a new economy. An economy that is more diversified, less dependent on federal transfers, aware of the needs of global markets, and sensitive to the environment, and one which ensures an equitable balance among the various segments of the population, will not be easy to build.

A host of development agencies trying to coordinate that economic adaptation are active in Newfoundland and Labrador today. However, their number is no guarantee of effectiveness. Increasing the number of interventions would not impact development. What is needed is developing innovative solutions, such as SABRI, tommy cod farming, value-added berry production, and so on. The region also has to create a place for young people, both to get them interested in their region's development, and to come up with new solutions to new problems.

Involving young people in development planning and implementation will not stop them from leaving. But convincing young professionals to return can provide role models. Those young people can help create businesses, projects and jobs that will provide work for the next generation of young workers.

Whatever paths of economic development are chosen, one of the core challenges to be met is improving the skills of the labour force. The importance of skills, and thus education, extends to all employment sectors, and all industries. Although knowledge is driving the new economy, traditional industries, which have the best chance of prospering on the West Coast, will also require workers with ever-higher skill levels.

This region is afflicted by distance in every way: distance from markets, distance from decision-making centres, distance from services. Any future development will rely on transportation — goods, raw materials, and digital data. To halt the decline of a peripheral region like the West Coast of Newfoundland, government has to make a commitment to reducing the impact of distance. We believe that on the West Coast, like all the other peripheral regions, a strong policy on transportation subsidies is the key to regional economic development.

PEOPLE CONSULTED

Mr. Bernard Bromley, Publisher
Northern Pen Newspaper
St. Anthony

Mr. Gregory Chaytor, Associate District Administrator
College of the North Atlantic
St. Anthony Campus
St. Anthony

Mr. Dennis Coates, Manager
St. Anthony Seafoods
St. Anthony

Mr. Robert Cormier, Executive Director
Association régionale de la côte ouest inc.
Grand' Terre

Mr. John Gibbons, Development Officer
Northern Newfoundland
Atlantic Canada Opportunities Agency
Plum Point

Mr. Travis Gillard, Executive Director
Nordic Economic Development Corporation
Flowers Cove

Mr. Keith Hillier
1st Video Enterprises Inc.
Burnt Islands

Ms. Carolyne Lavers, Economic Development Officer
Department of Development and Rural Renewal
Port Saunders

Mr. Randy Letto, Marketing Director
Viking Trail Tourism Association
St. Anthony

Mr. Richard May, Executive Director
Nortip Development Corporation
Plum Point

Ms. Mélinda Morazé, Economic Development Officer
Association régionale de la côte ouest inc.
Grand' Terre

Mr. Gary O'Brien, Manager
Human Resources Development Centre
Port-aux-Basques

Mr. Everett Osmond, Mayor
Town of Woody Point
Woody Point

Mr. Jan Peddle, Executive Director
Marine and Mountain Zone Corporation
Port-aux-Basques

Mr. David Simms, Executive Director
Great Northern Peninsula
Development Corporation
Plum Point

Mr. Sean St. George, Executive Director
Red Ochre Regional Board Inc.
Parson's Pond

Mr. Dean Wheeler, Executive Director
Humber Economic Development Board Inc.
Corner Brook

Ms. Cathy Whitehead, Co-owner
Alpacas of Newfoundland
Port-au-Port