



Status of Development
in Labrador

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Labrador has a very large land mass with a diverse population which presents a number of distinct opportunities and challenges. Within this large geographic area there is a substantial amount of work being completed by many community and governmental organizations in all aspects of social and economic development. In order to assure effective strategic planning, there is a need to identify opportunities and challenges that exist in the region. By recognizing and understanding the current environment, Government will be poised to make better decisions.

2.1 Labrador Today

The region of Labrador consists of approximately 269,073 square kilometers¹ of primarily vast untouched wilderness and is larger than the Maritime Provinces (New Brunswick, Nova Scotia and Prince Edward Island) combined (133,851 km²)²

- According to 2006 population estimates, 26,888 people³ reside in 32 communities⁴ across this large expanse of land in comparison to over 1.8 million people living in the Maritime Provinces⁵.

Labrador's population makes up 5.3% of the provincial total⁶. Thirty-five percent of the people living in Labrador have Aboriginal ancestry, self identifying as Innu, Inuit or Métis⁷.

Labrador is very diverse in terms of demographic trends which will present a pressing public policy challenge over the next decade. There are many similarities when compared to the province, as a whole, but many differences, as well. Between 1991 and 2006, Labrador's population fell from 31,046 to 26,888⁸. This is a decline of about 13.4%; slightly higher than the overall provincial decline in the same period⁹. This trend was largely driven by out-migration which impacts labour markets, types of goods and services offered by the private sector and public services (such as education and healthcare), and community services, leadership and volunteerism. Between 2006 and 2021, Labrador's population is

expected to decline by 3.1%, while the provincial population is expected to drop by about 5.6%¹⁰. Within Labrador there are diverse demographic trends. For example, the population of Northern Labrador grew by almost 10.6% since 1991 and is expected to grow by almost 5% over the next 15 years, while the population of southern Labrador (Zone 4 only) declined by 14.8% since 1991 and is expected to decline a further 12.1% by 2021¹¹.

There are many cultures represented in Labrador that includes the aforementioned Aboriginal groups and many other settler people who have come to work and live in Labrador. Historical developments like the fishery, fur trapping, the Grenfell Mission, and more recent economic

¹ <http://www.statcan.ca/start.html>

² http://en.wikipedia.org/wiki/Main_Page

³ <http://www.economics.gov.nl.ca/pdf2006/demographyupdate.pdf>

⁴ <http://www.combinedcouncils.ca/home/20>

⁵ http://en.wikipedia.org/wiki/Main_Page

⁶ <http://www.economics.gov.nl.ca/pdf2006/demographyupdate.pdf>

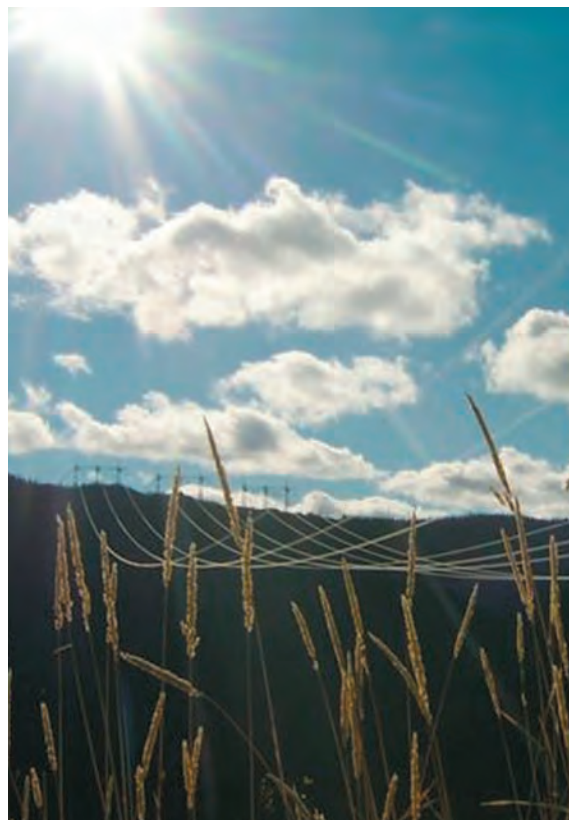
⁷ <http://www.statcan.ca/start.html>

⁸ <http://www.economics.gov.nl.ca/population/default.asp>

⁹ <http://www.economics.gov.nl.ca/pdf2006/demographyupdate.pdf>

¹⁰ <http://www.economics.gov.nl.ca/population/default.asp>

¹¹ <http://www.economics.gov.nl.ca/pdf2006/demographyupdate.pdf>



developments like mineral development in Labrador West, 5 Wing Goose Bay in central Labrador, the hydroelectric development in Churchill Falls and the Voisey's Bay Project on the north coast have spurred many people from other parts of the country and the world to move and settle in Labrador.

The Statistics Canada Census, which is conducted once every five years, is an important tool in determining an overall population estimate. Before this can occur, however, several adjustments must be made to the Census figures. Labrador's population estimates since the 2001 Census, the current estimate and all projections will be revised to reflect the results of the 2006 Census.

2.2 Opportunities for Development

It is widely recognized that Labrador, as a region, is at the beginning stages of maximizing its opportunities for development. In both the social and economic spheres, Labrador will emerge as a growth area for the province in years to come. Government, through this Northern Strategic Plan, recognizes that social and economic development is closely linked and neither happens in isolation.

The foundations for social and economic developments are in place. The opportunities are present and the commitment from Government has been made. Now is the right time for a Northern Strategic Plan for Labrador.

2.2.1 Resources

Human Resources

Labrador's diverse population and cultural diversity adds uniqueness to the region. The Aboriginal populations and the various settler cultures make for a rich tapestry of experience from which to draw. Labrador Aboriginal communities also have a young growing population which bodes well for future labour markets; provided that the appropriate training is available. The White Paper on Public Post-Secondary Education places an emphasis on extending the post secondary involvement of Aboriginal students. Government will continue to ensure Aboriginal participation in post-secondary training and will persist in securing access to federal programs for members of Aboriginal communities.

The Skills Task Force will present a multi-year strategy to ensure the provincial labour force has the necessary education and skill requirements to meet emerging economic opportunities, particularly those associated with large-scale development projects. Areas of consideration will include post-secondary programs, the apprenticeship system and partnership opportunities, including research and development.

Natural Resources

Labrador has abundant natural resources that can be utilized in a number of ways for the betterment of the region and province. At present, resource development within Labrador is varied across sectors in terms of its maturation. Some industries like mining and electricity generation have a long history of economic and social development while others like commercial agriculture, are relatively new and emerging. Natural environments are important to Labradorians, and the value associated with them can sometimes not be measured in monetary terms.

Maximizing benefits from Labrador's rich natural resource base through sustainable development and management is a key priority for Government. Successful natural resource maximization is dependant upon effective policy development,

Photo courtesy of VBNC





resource management, resource assessment, and promotion and facilitation of resource development. Sustainable development focuses on improving the quality of life for the people of Labrador, and the province as a whole, while being attentive to sustaining the natural environment.

Mining in Labrador West, Voisey's Bay and other smaller operations have provided a valuable foundation and cornerstone for economic development and growth in Labrador. The province is forecasted to produce \$2.5 billion worth of mineral shipment in 2006, 98% of which comes from Labrador. This is divided equally between iron ore operations in Labrador West and nickel, copper and cobalt production from Voisey's Bay. Labrador mining operations are forecasted to employ 2298 persons in 2006, and mining in general will contribute 3.2% to the province's GDP, most of which comes from Labrador. The Voisey's Bay Project has brought considerable benefits, both in direct employment and in contractual services, to Happy Valley-Goose Bay and northern communities. After only one year of operation, Voisey's Bay Nickel Company Limited has a workforce that is already 53% Aboriginal. The dimension stone quarry operated by the Labrador Inuit Development Corporation near Nain offers a valuable source of employment on the north coast and is a model for community involvement in resource development.

Global demand for industrial and mineral commodities has intensified in recent years, resulting in renewed exploration interest in Labrador's mineral potential. Exploration activity is being driven primarily by the search for iron ore, nickel and uranium. For 2006, total provincial exploration activity is forecasted to be worth \$98 million, with the bulk of this activity based in Labrador. The majority of exploration is centered in three main areas. Iron ore is the primary focus in the west, nickel in the north, and uranium in the central mineral belt of eastern Labrador. At present Labrador is the hottest exploration centre for uranium in Canada outside of Saskatchewan. As a result of these exploration programs and intense demand for mineral commodities, new development opportunities and expansion of existing operations

could emerge in the future. Large scale mining development projects are generally long term and capital intensive and often result in significant economic and employment benefits similar to operations already existing in Labrador.

In addition to current exploration activity, many areas of Labrador have yet to be prospected or fully explored, leaving potential opportunities for further discoveries. With the strength of the global mining sector, exploration activity and development in Labrador is likely to continue to grow. While not meant to diminish the importance and history of other natural resources in Labrador, at present, mining is the region's largest natural resource economic foundation.

Although the provincial Energy Plan will address more specific priorities and plans surrounding energy development in the province, building upon the foundation of energy development in Labrador is also a significant opportunity for the future.

The Upper Churchill project is considered one of the world's greatest engineering achievements; however, the benefit derived from this development has been a topic of controversy for many years. Despite the contractual arrangements associated with the Upper Churchill development, the province is the owner of one of the world's largest, lowest cost source of renewable electricity. Without losing sight of the opportunities lost, the social and economic impact the development delivers to the town of Churchill Falls is significant, not to mention the infrastructure and expertise that has been developed in Labrador. With a move towards maximization of benefits from resource development, further electricity development within Labrador will move in a very different direction from that of the contractual obligations associated with the Upper Churchill.

Further development of the Churchill River hydroelectric potential is currently under study; however, there may be further opportunities for hydroelectric development that could be explored within Labrador. With recent technological advances and further study, wind generation may

also emerge as a potential alternative and or supplementary source of electricity. The Province is moving forward in evaluating these possibilities.

Labrador's offshore area is known to hold hydrocarbons. The Canada-Newfoundland and Labrador Offshore Petroleum Board currently estimates the area to hold approximately 4.2 trillion cubic feet of discovered natural gas and 123 million barrels of natural gas liquids. Although there are no plans to develop this resource in the shorter term, future development looks promising. The improved resolution of new seismic data acquired in the past couple of years shows a number of large, previously unmapped leads. This, combined with the emergence of new cold ocean production and transportation technologies, is setting the stage for a new cycle of exploration activity.

The commercial fishery is still a very important industry in many of the coastal communities of Labrador. There are opportunities to progress the industry by developing and diversifying existing and new fisheries. Exploratory harvesting of underutilized crab species, improvements to onboard product handling, development of cod pot technology and a small scale sealing initiative are examples of ongoing and recent projects.

The forest sector, on an international level, has undergone significant changes in recent years that have impacted Labrador operations. Maximization of benefits through value added-secondary processing, where possible, is a priority that may be expanded upon with sound business planning by industry. The recent release of the Strategic Plan to Develop Labrador Secondary Manufacturing and Value Added Wood Products Industry has potential to initiate further developments in the forest industry over the coming years. Increasing access to forest resources will also aid the industry's development.

Agrifood production in Labrador also has significant development potential for the future. While still relatively small in comparison to other agrifood sectors, many opportunities exist. In recognition of

the scale of development, and the challenge it presents, the Northern Agri-foods Development Strategy was developed. Building the industry, in connection with the Strategy, will be vital for future development.

Labrador is a natural resource in itself. Its beautiful landscapes, untouched vistas and wilderness have tremendous potential for tourism growth and development as shown by the development of the Torngat National Park Reserve. The feasibility study of the Mealy Mountain National Park currently underway will add to the national and international allure of this region.

Cultural Resources

The cultural resources of Labrador represent a wide diversity and breadth of cultures and encompass a massive historical and prehistorical time span. They include archaeological sites, historic cultural landscapes and communities, and the full range of cultural artifacts and products, both tangible and intangible. Irreplaceable, these resources require a high level of diligence fused with the engagement of best practices in their conservation, interpretation, and presentation. The recognition that both the past and contemporary cultural resources represent the heritage of tomorrow is paramount to the proper management and promotion of cultural heritage within Labrador.

Other Resources

Labrador's information technology infrastructure is a great asset and an opportunity for growth. Over the past number of years most communities in Labrador have been connected to high speed internet. This can lead to many opportunities for growth and development in the economic and social sphere. Because of increased accessibility in information technology, business activity continues to increase in these communities. On the social side, an achievement like tele-health provides better access to the healthcare system. At present, there are 11 communities that are not connected to a high speed system. The Province has committed to ensuring equitable access to these communities in the future.



Quality of Life

Residents of Labrador experience a pristine environment and enjoy a high quality of life. Throughout Labrador's large land mass there are 32 separate and distinct communities. One commonality, however, is the sense of community within each. Clean air and outdoor living add to the desirability of the area. Although growth is desired it is not anticipated to be at a level where this would change.

Regardless of where you live in Labrador the ability to utilize the natural environment for sport and consumption is tremendous. Outdoor activities are numerous in both summer and winter. These include snowmobiling, skiing, snowshoeing, hiking, bicycling, hunting, fishing and trapping. Some people within Labrador still rely on the nature around them for subsistence activities. People hunt, fish, trap and gather berries to feed their families throughout the year. Utilizing wood heat with firewood cut in their local area is a common practice as well. This provides a supplement to commercial forms of electricity generation. Overall, there is pride and respect throughout Labrador in the natural beauty and value of the land.

While Labrador is still an isolated northern region, the development of the Trans Labrador Highway is

opening up many new opportunities. This development has had an impact on many aspects of Labrador life from how things are transported, to how people travel for personal and business purposes, and how communities connect with each other. While this development is viewed as a positive move, there are efforts to ensure that the beauty and value of Labrador's natural environment is not negatively impacted. The goal is to ensure the quality of life present in Labrador is maintained, and even enhanced, for generations to come.

2.2.2 Alliances

Alliances already established between the provincial government and community based organizations are great foundations on which to build. There is an established network of leadership within Labrador, and Government and communities have worked hard to strengthen relationships to advance the social and economic agenda in Labrador. The Department of Labrador and Aboriginal Affairs, the new addition of the Premier's office in Happy Valley-Goose Bay and the creation of the Executive Director position with the Department of Natural Resources in Labrador West create opportunities to influence decision making within provincial government.

Relationships with the Combined Councils of Labrador, the five economic zone boards, the Chambers of Commerce, the Newfoundland and Labrador Federation of Municipalities, and industry and union leaders are all important to the future development of Labrador. Relationships with Aboriginal groups are important as the governance structures in Labrador change and evolve. Land claims negotiations and settlements are changing the way the provincial government operates. Important lessons can be learned from the Northern Development Ministers' Forum. The Forum provides an opportunity for Ministers with responsibility of northern areas to collaborate and discuss and explore best practices that affect the north.

2.2.3 Aboriginal Environment

Aboriginal communities are uniquely placed to benefit from economic development in Labrador. Significant federal funding is available to Aboriginal communities for infrastructure, education and training, and health and social programs and services. Moreover, the recently signed Labrador Inuit Land Claims Agreement includes significant economic benefits for Labrador Inuit including a capital transfer from the federal government, a share in provincial resource royalties, the requirement for Impact and Benefit Agreements on certain developments and preferences for government contracts and employment in Labrador Inuit Lands. Similar provisions will be available to the Labrador Innu in their land claims agreement that is currently being negotiated with the Innu Nation.

Both the Labrador Innu and Inuit receive considerable benefits including revenues, employment and preferential contracting under their Voisey's Bay Impact Benefit Agreements.

The establishment of the Nunatsiavut Government on December 1, 2005, heralded a new era for the Labrador Inuit. In addition to providing the jurisdictions needed to manage treaty rights, the new government can begin to develop and deliver programs and services that will better meet the needs of Inuit in the northern communities. Self-government also creates employment for Labrador Inuit as the new government creates the necessary bureaucracy and prepares for the devolution of provincial programs and services.

With the creation of reserves at Natuashish and Sheshatshiu, the Innu now benefit from an exemption from federal and provincial taxes. The immediate effect of this exemption is an increase in their disposable income. The creation of reserves has also provided the Innu with the land they need for economic development. Management of the reserves and the devolution of federal programs to the Bands will be a prelude to self-government.

The Labrador Metis Nation is in a different situation than the Labrador Innu Nation and the Nunatsiavut

Government. The Labrador Metis Nation land claim has not been accepted by the federal government and there is uncertainty over the eligibility of its members for federal Aboriginal programs and services. The Province continues to encourage the federal government to make a final decision on the Labrador Metis Nation land claim. Until then, the Province is committed to work with the Labrador Metis Nation to access federal programs and services.

2.3 Challenges to Development

There are challenges and barriers to development in Labrador. Government recognizes these challenges and through the Northern Strategic Plan, will find creative, innovative ways to overcome these issues.

2.3.1 Infrastructure

Although there has been much infrastructure development within Labrador to date, Government appreciates that more work is still required to adequately support social and economic development. Infrastructure is an underlying aspect to quality of life as it provides residents with access to quality goods and services, including healthcare and social services.

Transportation

The completion of the Trans Labrador Highway in 2009 from Labrador West to the Labrador Straits





will be significant to the economic and social progress of many sectors within Labrador. The Trans Labrador Highway, with nearly 875 kilometers and an additional 285 kilometers under construction, has been designated as part of the National Highway System, connecting Labrador to the rest of Canada. The completion of Phase II of the highway has reduced the use of air services on the south coast of Labrador. This is anticipated to continue with the completion of Phase III. Rock cuts that exist on the highway between Red Bay and Lodge Bay are blocked with snow at times and cause the road to be closed. Government has constructed a depot and provided additional snow clearing funds for this portion of the highway to assist with alleviating the problem. Government continues to review and monitor this section of the Trans Labrador Highway.

Labrador relies heavily on air transportation. The Happy Valley-Goose Bay airport serves as a primary hub for Labrador with almost all air traffic to and from southern, western and northern Labrador passing through this airport. There are 19 airports feeding into Happy Valley-Goose Bay including 13 coastal strips that have limited infrastructure, gravel runways and airstrip lengths not suited to larger aircraft.

Coastal communities continue to rely on marine services for transportation and for shipments of goods and services. There are five marine vessels currently serving Labrador; however, the completion of Phase III of the Trans Labrador Highway will compel a further analysis of the marine configuration for coastal and central Labrador. Marine services in the province are heavily subsidized by the provincial government.

The winter trail system serves as a vital transportation link where there is no road connection on the north coast and in the communities of Black Tickle, Norman Bay and William's Harbour on the south coast. Government provides funding under the Labrador Grooming Subsidy to support the maintenance of these transportation trails.

The Province has committed to a Labrador Transportation Plan reflective of the current and future needs in the region while also considering the geographic, demographic and fiscal realities facing Labrador.

Electricity

There are challenges with the access and affordability of electricity in several areas of Labrador. The coastal communities of Labrador are almost exclusively operated on diesel electricity generation which is costly and limits any new economic or social developments. Central and western Labrador may not have sufficient electricity to establish or accommodate any significant expansion or large development given current transmission infrastructure constraints and depending upon the size of the new development, the availability of electricity from Upper Churchill recall power.

The feasibility of developing the substantial gas resources off Labrador is currently constrained by harsh environmental conditions and technological limitations; however, advances in technology and increasing demand for cleaner burning fuels may accelerate development of these resources in the future.

Social Infrastructure

Various facets of social infrastructure have seen great improvement in recent years; however, Government recognizes that more work needs to be completed to develop models to cost effectively serve small, widely scattered communities. Educational challenges range from availability of early childhood education, to aging primary/secondary school infrastructure and to accessibility of post secondary offerings in Labrador. Challenges within the justice system involve the court and policing system. Varying cultures and social needs throughout Labrador have contributed to these pressures. The provision of adequate healthcare over an area the size of Labrador is an issue, particularly in relation to specialized healthcare. As well, there is currently an established need identified for more accessible, affordable housing, especially on the north coast and in Sheshatshiu.

2.3.2 Programs and Services

Labrador is a northern remote area and, as such, there are challenges in the provision of programs and services. At the present time it is clear that there is a perceived lack of access to many programs and services in comparison to other parts of the province. Some of these issues include access to; specialized healthcare, post secondary education, pre-school services and start up business development funds. Government has developed a number of programs to help with some of these issues including the Medical Transportation Program and the Labrador Travel Subsidy.

Women continue to experience challenges accessing employment, training, adequate childcare services, violence prevention programs and community based addiction treatment services. These issues are at the forefront of social and health matters needing to be addressed within Labrador and the province, as a whole.

Challenges within the justice and emergency response systems include the need for family justice services to be made accessible to all regions of

Labrador, the need for additional RCMP services as well as a feasibility study relating to challenges and barriers to providing 911 services. As well, increased planning for pandemic emergencies is required along with providing residents with greater access to justice services and information in their own Aboriginal language.

Many of the challenges experienced by the Nunatsiavut Government, the Innu Nation and the Labrador Metis Nation related to delivering and gaining access to programs and services arise because of the difficulties associated with providing these programs and services to isolated and remote communities. These challenges mirror those faced by other residents of Labrador, and therefore are not necessarily tied to Aboriginal issues.

2.3.3 Labour Market

Labour market conditions in Labrador, like all other regions of the province, have been improving. The region also shares many labour market trends, challenges and opportunities with the rest of the province and Canada, particularly related to growth and dominance of the service sector, increasing





skills demands among the workforce and changing demographic trends. However, unique labour market characteristics in the region may prompt some labour market challenges earlier, or to a greater extent, than elsewhere such as recruitment and retention difficulties and skills shortages.

Changing Workforce Demographics

An increasing rate of population decline and aging among the working age population is some of the most significant trends that will impact the Labrador, provincial and Canadian labour markets in the future. These trends will likely lead to increasing recruitment and retention difficulties and potential labour shortages. A large share of the baby boom generation will move into retirement during this period and there will be fewer young people entering the labour market to replace these workers. Over the next fifteen years, the working age population is expected to decline by 9.6 per cent in the region and by 14.6 per cent in the province. Although the rate of decline will be slower in Labrador, largely due to the impacts of growing Aboriginal populations, the region will face increasing competition for labour from the island portion of the province as well as the rest of Canada.

Education

Over the past decade, employment outcomes for individuals have improved with increasing levels of educational attainment. Employers will continue to demand higher skills in the future to remain competitive in the increasingly knowledge-based, global economy. In Labrador, a higher proportion of the working age population (25-54 years old) have a post-secondary certificate or diploma, than elsewhere in the province and there is a lower proportion of this population with less than a high school diploma. However, there is also a lower proportion of people with university degrees. Furthermore, these outcomes are not observed among all areas of the region. Workforce education levels in the larger regional service centres of Happy Valley-Goose Bay and Labrador West are generally higher than the region overall; conversely, education levels among the working age population in northern Labrador, the south coast of Labrador and

the Labrador Straits area are significantly lower than observed in the region overall and the rest of the province and Canada. Ensuring access to a skilled workforce is essential to continued competitiveness of local employers and improved labour market outcomes for individuals.

Employment

Employment in Labrador has increased since 1996. Within the region, there is a higher proportion of people employed at some point during the year and for longer periods than elsewhere in the province and employment incomes are higher than the provincial average. While the number of different types of industries people work in is comparable to the rest of the province, employment is more concentrated in the goods-producing industries, largely related to the mining industry. As a result, there is also a relatively higher proportion of workers in the trades, transport and equipment related occupations in the region. This will be a particular challenge in supporting the continued competitiveness of local employers considering that skill shortages among these occupations are being cited throughout the country. Wage rates will likely increase as the competitions for labour among employers increase.

Underrepresented Groups

Labour market participation rates in Labrador have increased and are on par with the province overall. However, a number of groups, including women, persons with disabilities, older workers, youth and Aboriginal populations continue to experience weaker labour market outcomes than the total population in the region. Increasing participation among these groups will be critical to meeting future labour demands.