

# Restructuring of Rural Governance in a Rapidly Growing Resource Town: The Case of Kitimat, BC, Canada

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# Outline

- \* Background
- \* Case study context: Kitimat, BC
- \* Findings
  - \* Broader shifts in the neoliberal policy environment
  - \* From managerialism to entrepreneurialism
  - \* From government to governance

# Background I

## Post-war period

- \* High demand for resources and limited competition
  - \* Prompted significant state investments.
  - \* New highways, instant towns, facilities, and services
- \* Goal: improve quality-of-life to attract workforce

# Background II

## 1980s recession

- \* Senior governments / industries reduced their role in resource-dependent regions
- \* Industry transformation
  - \* Automation, transportation / communication improvements, global competition, fluid capital / labour
- \* Communities left with fewer job benefits / more exposed to commodity market fluctuations

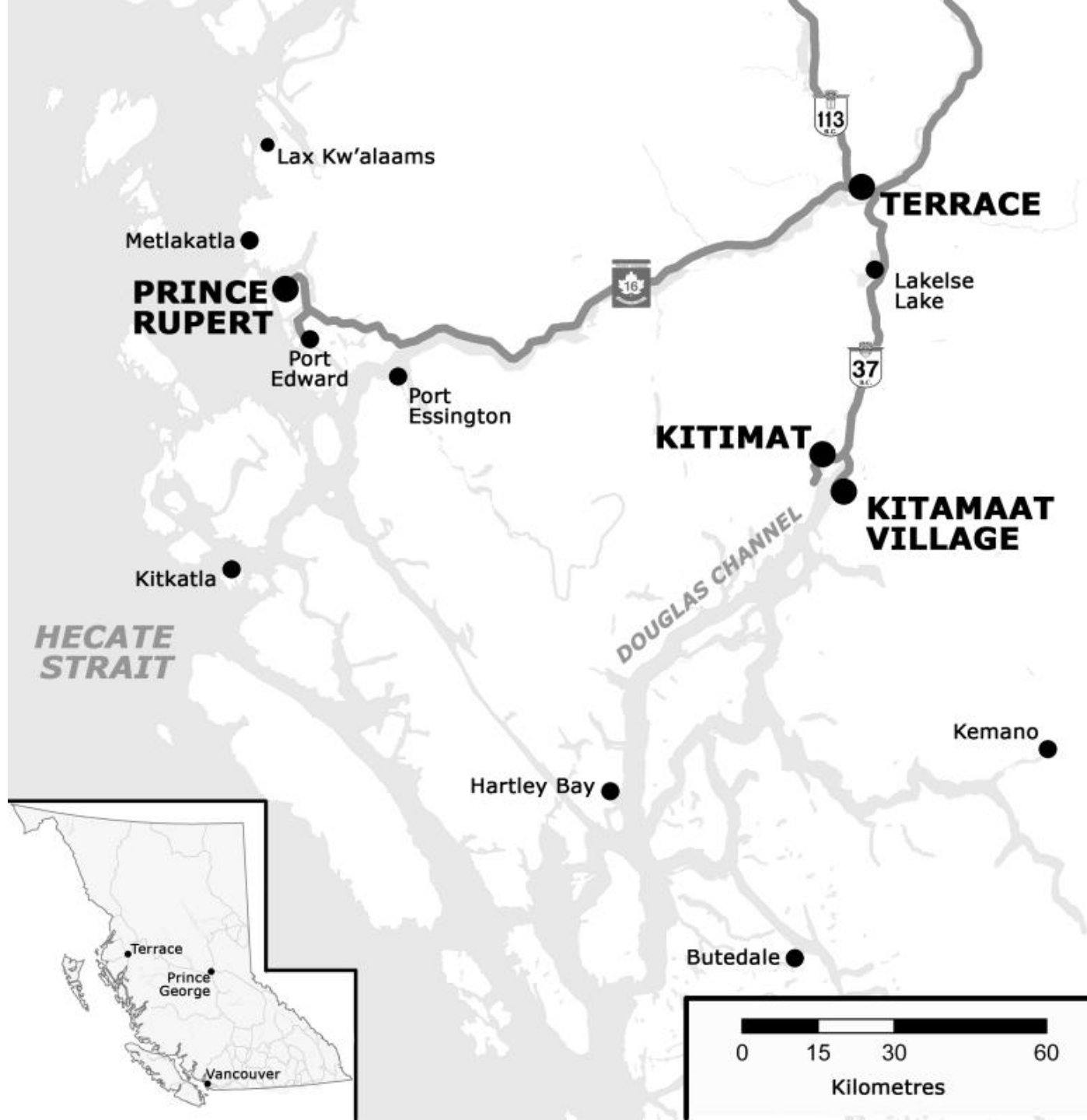
# Background III

2010s bursts of rapid growth

- \* Neoliberal public policies had limited infrastructure and program investments
- \* Absence of a comprehensive strategy for rapidly growing communities
- \* Prompted pursuits for greater voice in decision-making / governance arrangements

# Case Study: Kitimat, BC





# Context: Kitimat, BC

- \* Industrial base : Alcan aluminum smelter (1950s), Eurocan's pulp and paper mill (1967), and Methanex methanol and ammonia production (1980s)
- \* Methanex (2005) and Eurocan (2010) closures – loss of 662 jobs
- \* In 2010, Rio Tinto Alcan (RTA) announced the Kitimat Modernization Project at a cost of \$4.8 billion
  - \* Required roughly 3,500 construction workers
  - \* Roughly 1,000 permanent jobs
- \* Other proposed industry projects:
  - \* Port for proposed oil / bitumen / condensate pipeline / LNG projects



# Study Design

- \* Since 2012, 5 annual field research visits
- \* During each visit, conducted between 37 and 45 interviews, for a total of 204 interviews
  - \* Residents, service providers, local government leaders / staff, industry reps, business leaders, and community groups
- \* Tracked changes in community engagement and capacity, collaborative working and governance relationships, and strategic actions and investments
- \* Latent and manifest content analysis

# Findings

1. Neoliberal public policy shift
2. From managerialism to entrepreneurialism
3. From government to governance in decision-making / planning

# Neoliberal Public Policy Shift I

- \* Economic recession prompted local gov't cuts
- \* BC gov't: any local gov't effort to raise industry taxes would jeopardize LNG projects
  - \* Threat to apply port taxation policy to Kitimat
- \* Difficult to re-establish provincial / federal funding
  - \* Local gov't provided \$200,000 emergency fund for social services
- \* BC gov't reluctant to invest in social housing
  - \* Local gov't allocated funding to hire 2 housing support workers
  - \* Cold weather response shelter established by local gov't, community groups, churches, BC Housing

# Neoliberal Public Policy Shift II

*The traffic on the roads... the bridge. I mean how many times has the bridge acted as a bottleneck over the last four years. How many years has the District of Kitimat been pounding on everybody's door to upgrade that bridge? Probably we'll be upgrading during the time of the next boom. We still, from a liability point of view, we still have an old bridge that if it went down right now, you and I would take two hours to get to the same place that we would normally get to in four minutes. Billions of dollars' worth of industry would be isolated on the other side. (Kitimat Participant #15, 2015)*

# Managerialism to Entrepreneurialism I

- \* Local government, Chamber of Commerce, and regional economic alliances
  - \* Strategic investments in long-term planning through gap analyses and worker attraction surveys, organizing an energy conference, and delivering procurement workshops
- \* Enhanced understanding of industry criteria used to evaluate procurement bids
  - \* Financial and technical capacity, management structures, and past performance to determine the stability of the supplier

# Managerialism to Entrepreneurialism II

- \* Local gov't introduced 5 year tax exemption on increase in assessed value for renovated commercial buildings with \$25,000 investment in exterior
- \* Pursued investments for aging housing assets
  - \* Strata conversion
  - \* Secondary suite incentive program provides 5 year forgivable loan program to expand affordable / accessible units

## District of Kitimat Secondary Suite Incentive Program

Type of Secondary Suite	Allowable Forgivable Loan
Any suite	\$2,500
Level 1 affordable	\$5,000
Level 2 affordable	\$7,500
Any suite that is accessible for disabled	\$2,500 (bonus)

# Managerialism to Entrepreneurialism III

- \* Local gov't introduced 5 year tax exemption on increase in assessed value for renovated commercial buildings with \$25,000 investment in exterior
- \* Pursued investments for aging housing assets
  - \* Strata conversion
  - \* Secondary suite incentive program provides 5 year forgivable loan program to expand affordable / accessible units
  - \* Density bonusing scheme requires construction camps to make contributions to an affordable housing fund



# From Government to Governance I

- \* Eurocan closure and KMP prompted new governance groups
- \* Tier One Dialogue Group focused on economic development
- \* Tier Two Dialogue Group focused on social issues

## Kitimat/Terrace Tier 2 Impact Dialogue Group Membership

Adult Literacy	Kitimat Victim Services
Adult Mental Health	Make Children First (Terrace)
Alcan	Ministry of Children and Family Development
Axis Family Resources	Ministry of Employment and Income Assistance
BC Schizophrenia Society	Northwest Community College
Child Care Resource and Referral	Northwest Regional Hospital
Coast Mountains School District #82	Public Library
Community Development Institute, UNBC	RCMP
District of Kitimat – Council	MLA
District of Kitimat - Recreation	School Trustee
Family Justice Center	Skeena Diversity Committee (Terrace)
Kitimaat Village Council	Tamitik Status of Women
Kitimat Chamber of Commerce	Terrace Child Development Center
Kitimat Child Development Center	UNBC – Terrace Campus
Kitimat Community Services	

# From Government to Governance II

- \* Eurocan closure and KMP prompted new governance groups
- \* Tier One Dialogue Group focused on economic development
- \* Tier Two Dialogue Group focused on social issues
  - \* Interagency Group (voluntary groups, service providers, local gov't, industry, and chamber)
    - \* Early warning system to understand scope, scale, and timing of potential effects from KMP and smaller / related proposed projects
    - \* Led to: Housing Committee, the Violence Against Women in Relationships Coordination Committee, the Community Response Network, the Early Years Initiative, Integrated Case Management teams, etc.

# From Government to Governance III

## Collaborative structures:

- \* Improved communication and access to information
- \* Improved their understanding of protocols and procedures
- \* Improved access to a broader range of resources and expertise
- \* Shared human resources to deliver joint events
- \* Achieved greater efficiency through joint service agreements and new protocols
- \* Determined who could best address local gaps

# From Government to Governance IV

## Challenges:

- \* Difficult to move beyond sharing information towards action
- \* Different expectations and scales of operation
- \* Different mandates and regulations
- \* Conflicting approaches to partnership management and activities
- \* Unwillingness to share resources, and a limited understanding of industry / Aboriginal protocols
- \* Lack of funding, staff, and space to support collaboration at a local and regional level

# Discussion: Senior Government

- \* Neoliberal policy shifts have hampered capacity to respond to the rapid changes
- \* Delayed investments and limited mobilization of adequate staff resources
- \* No coherent senior government policy response to address new political economy

# Discussion: Community Governance

- \* Combined local resources may not be enough to maintain services and adapt
  - \* More symbolic of senior government abandonment than local empowerment
- \* Governance mechanisms must better understand gaps and limitations
  - \* Become areas for senior government involvement and negotiation
- \* Importance of pairing industrial investments with top-down supports to strengthen the viability of local and regional governance structures



## Canada Research Chair, Rural and Small Town Studies

[www.unbc.ca/greg-halseth/canada-research-chair-rural-and-small-town-studies](http://www.unbc.ca/greg-halseth/canada-research-chair-rural-and-small-town-studies)

### Resources:

Resource Royalties: Returns to Resource Producing Rural Regions

On the Move: Community Impacts of Long Distance Labour Commuting

Tracking the Social and Economic Transformation Process in Kitimat, BC

COMMUNITY  
DEVELOPMENT  
INSTITUTE



[www.unbc.ca/community-development-institute](http://www.unbc.ca/community-development-institute)

Resources: Lessons Learned in Work Camp – Community Relations: Practices Making a Positive Difference



[www.onthemovepartnership.ca](http://www.onthemovepartnership.ca)