The Road from

Resource Dependency to Community Sustainability:

The Case of Kimberley, British Columbia: 1966-2001

by

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Abstract

This thesis examines the process of restructuring that is impacting resource dependent communities. Restructuring which arises from and creates change shifts traditional forms of economic and political stability. The community context in which change occurs differs and thus the experiences and success of communities varies. Communities are often characterized as static entities, but in reality they involve the continual re-negotiation of relations that can have economic, social, and ecological impacts. This interdisciplinary analysis studies the geographic community of Kimberley. It examines the role of the municipal government and the company in the transition process. The thesis suggests that communities present new opportunities for social learning between municipal, corporate, state, and community-based groups to undertake shared problem solving and adaptively manage resources. The case demonstrates that through leadership, collaboration, and participation a community can adapt to sustain itself in response to global processes.

Dedication

This thesis is dedicated to my parents, who died during the research and writing.

To my father Jack a man of many contradictions. He had a sense of adventure, loved exploring, inventing, and set out to conquer life. He challenged me to think critically and to examine what is presented as truth from different perspectives.

To my mother Jean, just as a beautiful flower is under appreciated and sometimes lost in a large garden, Jean's gentle soul, generous heart, and creative spirit were lost in the immensity of daily life. Yet, in us, she instilled a way of being that was grounded in kindness and compassion.

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CHAPTER 1.

Introduction: Reshaping Community

1.1   The Challenges and Complexity of the Case

The struggles of small town communities to economically diversify demonstrates the complexity of economic development as a matrix of forces from business community rules and practices to local small town community strategies, industrial structures and profit cycles, to provincial priorities, local and national politics. This thesis attempts to build understanding about why some communities become "sticky" places[1] while others languish. The broad cross section of theoretical perspectives in the literature review provides context for the thesis research. The thesis examines the historical and contemporary processes reshaping the rural small town community of Kimberley, B.C. Specifically, the research examines the roles of municipal, corporate, state and community-based group actors in negotiating community economic development processes and developing strategies that have economic, social, and ecological impacts.

Located in the south-eastern corner of British Columbia in the East Kootenay Regional District Kimberley has historically been a mining community. It is roughly bounded by the Rocky Mountains to the east and the Purcell Mountains to the west, and the United States border to the south. Closer to Calgary, Alberta (407 km / 253 mi) and Spokane, Washington (339 km/211 mi) than Vancouver, British Columbia (903 km/561 mi), the closest urban centre and airport is Cranbrook, British Columbia (28km/17mi). Although Kimberley's economy includes some forestry and services, more recently it has focused on a tourism and retirement community strategy to sustain the local economy. The decision to focus on these strategies have not been without controversy. Some argue that tourism is a panacea, an opportunity to market community identity and culture in exchange for low paying jobs. Others feel it too is dependent on the land base and

subject to rise and fall of global economies. Yet, in this regard it is similar to other resource-based industries. In that it has a long history in the province and in a similar way to the ore mined in Kimberley, the tourist is "recognized as a commodity".[2] Nonetheless, as Barnes and Hayter have suggested location of place and the resources found there influence a community's development.[3] Kimberley is no exception in this regard.

Yet, while the research specifically focuses on the role of local actors through an examination of strategies and dialogue, it also recognizes that the negotiation of terms or definitions such as sustainability occur on a broader scale. The term sustainability is applied in many different contexts, often imprecisely or in general terms. The challenge is not only in defining sustainability, but also in measuring it. Despite this, it would appear that a concept of sustainability based on economic, social, and ecological imperatives is valued in Canada, and around the world.[4] This is also evidenced by the increasing concern that companies act in a socially responsibility manner. The literature review in chapter two examines some of the definitions of sustainability and sustainable communities. In chapter four the thesis outlines some of the approaches utilized to measure sustainability. These indicators are utilized to understand the community development strategies implemented by local actors and the economic, social, and ecological impacts.

Another aspect of inquiry, not directly related to the primary question, is how, if at all, the forces of restructuring influenced historic forms of power distribution and

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[1] Ann Markusen, Sticky Places in Slippery Space: A Typology of Industrial Districts. *Economic Geography* 72, 30, (1996): 293-33 outlines the relevance of sticky places for communities.

[2] Michael Dawson, *Selling British Columbia: Tourism and Consumer Culture*, 1890-1970. (Vancouver: UBC Press, 2004), 213-5 traces the emerging conceptions of tourism and the development of the tourist trade. In the 1960s the media and tourism organizations discussed that "tourism promotion was understood primarily as a method of encouraging visitors to spend as much money as possible in a given geographical location".

[3] T. Barnes and R. Hayter in Markey et al. *Second Growth: Community Economic Development in Rural British Columbia*.(Vancouver: UBC Press, 2005), 5.

[4] Mark Roseland, *Toward Sustainable Communities: Resources for Citizens and their Governments*, (Gabriola Island, BC: New Society Publishers, 1998), x-xi reports that the The International Evironmental Monitor's Global Opinion Survey conducted in 24 countries found that majority of respondents (88% of Canadians) cited personal concern for the environment.

knowledge appropriation.[5] This is considered because it broadens the understanding of the historical forces at work in communities. In company towns power is vested in the company. As Foucault suggests, the nature and mechanism through which power is exercised are evident in many forms. In "going from the more particular to the more general, one can and must describe: how the different elements of a system of formation were transformed".[6] For example mechanisms such as participatory decision making broaden control in the community from the few to the many. Focault suggests that in considering these issues, the researcher must examine events beyond a generalized statement to identify what change consists of. Another consideration based on Focault's analysis suggests that the researcher must be aware that a subtle network of knowledge that exists between citizens in small town communities. One such example involves negative feedback mechanisms that individuals associate with penalties such as exclusion from community processes and social events. In many company towns individuals do not speak out because they feel it is disloyal to the company. In other cases expressing concern or challenging assumptions about proposed strategies can be interpreted as undermining community efforts. Some individuals fear voicing an opinion that is different from what their neighbours or co-workers espouse for fear of rejection or social ostracism. In the case of Kimberley, the strategies that were developed were done so with the involvement of the company and its representatives. This in some individuals perspective compromised the legitimacy of the community "voice". Yet, for others the community process brought together different voices in a dialogue that was focused on issues of community well-being. The differing community perspectives and the interdependency of the actors, the issues and the outcomes required an interdisciplinary analytical framework to understand economic and social change from 1966 to 2001.

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[5] Michel Foucault. *The History of Sexuality, Volume I: An Introduction.* (New York: Vintage Books, 1990), 99-102 His argument considered in the context of Kimberley suggests that the companies historic domination was not stable and that the transformations occuring made utilization of similar strategies to entrench political power necessary from the perspective of those in power.

[6] Michel Foucault. *The Archaeology of Knowledge: and the discourse on language.* (New York: Pantheon Books, 1972), 172 suggests that to understand changes requires an understanding of what changes consist of rather than a general description of change as an event.

1.1.1 Research Questions

The primary research question examined is what is the role of municipal, corporate, state, and community-based activist group actors in negotiating community economic development processes and developing strategies to diversify the local economy and contribute to community sustainability?

A number of related sub-questions are also considered to provide further clarity to the research including: How and why did the various actors collaborate? What was the relative importance of their roles? What community development strategies were implemented? How, if at all, did the strategies diversity and sustain the local economy? How did the actors undertake shared problem solving and participatory decision-making? How can what was learned help other communities?

The thesis title suggests that community sustainability is a goal, an objective, or an end point. However, it soon became apparent during the research that the complexity of defining and demonstrating sustainability presented a challenge in terms of measuring how Kimberley is doing. For this reason, the research examined various definitions and interpretations of sustainability and how these could be utilized to evaluate Kimberley's progress towards the broad goal of community sustainability. All of the questions were considered in terms of community economic development processes, organizational management processes, and the geographic and historical literature.

1.2   The Community Context

In examining how various actors negotiated community economic development processes and developed strategies that had economic, social, and ecological implications it is important to understand the historical community context. The reliance on resources influenced the development of Kimberley and its current situation can only be understood by examining community history. The history and human and economic geography of hinterland communities such as Kimberley is tied up with the history of the

province.[7] Operating for over one hundred years, Kimberley's Sullivan Mine provided a key commodity resource and played a direct role in the capital accumulation process. Recent research by Barnes and Hayter has demonstrated the relevance of Innis' work in "emphasizing the distinctiveness of staple resources" as commodities.[8] This distinctiveness is further defined by the dynamics of relations within specific locales. The theorist David Harvey explored the return to place-based definition of identity when he suggested that, "such a quest for visible and tangible marks of identity is readily understandable in the midst of fierce space-time compression".[9] This quest it has been argued is also linked to the emergence of consumer society, that is marked by "cultural transformation that witnesses the replacement of" a value system-based on 'work, sacrifice, and saving' with a 'consumer ethic'.[10] The shift from an identity-based on what some would define as traditional values to values based on a consumer society has resulted a continual expansion of consumption. Tourism as an industry is no exception.

The historical experiences of small town communities shaped rural identities. In that as more individuals moved toward urban centres in the twentieth century those that stayed behind or moved to rural communities perceived that they were resilient, pioneers.[11] In British Columbia's mines, hinterland workers' identities were defined by their experiences on the job, and action was undertaken to improve the conditions under which they worked. Many workers in the province experienced the boom and bust of resource cycles, yet Kimberley residents such as past credit union manager Dan Zaremba conveyed a community identity that emphasized differences in the ways in which Kimberley was shaped by the resource. "We aren't like other resource based communities. We aren't your typical company town. Cominco has been a steady

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[7] In 1933 Harold Innis argued that Canada's geography and history were a result of the distinctiveness of its staple resources. His work has been applied in a number of community contexts in particular that the Canadian economy developed on the basis of a series of staples from cod, to fur, timber and other natural resources each with a temporal and spatial sensitivity. Innis captured the unique Canadian context, which required large amounts of capital and technology for industrial development. Many historians in contrast have long rejected the staples theory used by Innis.

[8] T.J. Barnes and R. Hayter, "The Little Town That Did: Flexible Accumulation and Community Response in Chemainus, British Columbia," *Regional Studies*, 26, (1992): 648.

[9] D. Harvey, "Between space and time: reflections on the geographical imagination," *Annals of Association of American Geography* 80 (1990): 427.

[10] Dawson, 2004: 6.

[11] R.W. Sandwell, *Beyond the City Limits: Rural History in British Columbia*, ed. (Vancouver: UBC Press, 1999), 13.

employer for many years, a good corporate citizen, sensitive to the needs of both its employees and the town."[12] This rejection of a community identity based on the attributes of resource dependency and imposed from outside reflected a proactive, entrepreneurial response to reshape local identity and distinctiveness within an environment of restructuring and change occurring in British Columbia and to a larger extent in Canada.

In the context of local entrepreneurialism and boosterism, competition amongst provincial regions intensified as communities struggled to economically diversify and differentiate their communities based on a unique community identity in the latter part of the twentieth century. However, these approaches were not new. The province had utilized booster approaches to attract settlers, agricultural, and industrial development to British Columbia towns. Barnes and Hayter argue that the shifting political, social, and economic processes resulted in a rising "civic entrepreneurialism". In the case of Kimberley, civic entrepreneurialism was demonstrated by "a local coalition of interests, one in which a traditional local (business) boosterism was integrated with the use of local government powers', [and involved] a particular kind of initiator, a person of vision, tenacity, and skill...(who can) put a particular stamp upon the nature and direction of urban entrepreneurialism."[13] Harvey's account of place not only speaks to cultural representation and community solidarity, but also helps to understand how Kimberley's identity was shaped through time.[14] This combined with the province's historical boosterism that attempted to attract "deep pocketed eastern investors" to towns and cities that were advertised as wilderness preserves situates contemporary strategies within the context of historical efforts.[15]

1.3   Historic Mining Community

Discovered in 1892, the Sullivan Mine has been operated by Teck-Cominco, formerly Cominco, and previous to that the Consolidated Mining and Smelter Company,

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[12]   *Kimberley Daily Bulletin*, "Year in Review", 1984.
[13]   Barnes and Hayter, 1992: 651.
[14]   Harvey, 1990, 418-34.
[15]   Dawson, 2004:16.

since 1909. The company changed its name to Cominco in 1966 to reflect the more global nature of its operations. The company has gone through rising and falling mineral price cycles in the past, yet in the 1970s and increasingly in the 1980s the company was subjected to competition in world markets. The Sullivan Mine had been a historic producer. Like all mines eventually do, it was nearing the end of its life cycle, when it was becoming more costly to extract ore. These factors and others were putting downward pressure on operations to reduce costs. The company recognized that these forces were going to impact Kimberley. Corporate executives began to prepare the community for change through subtle messages that differentiated the current situation to the past. In explaining the current economic situation to the community statements such as this were common. "The good old days are gone Mick Henningson, general manager of Cominco's Kimberley Operations told Rotary Club members at a luncheon yesterday."[16] This message was foreboding, in that soon after, a 1990 bargaining impasse motivated the company to announce that the Sullivan Mine would be closed indefinitely. This action sent shock waves through the community. However, without much delay a "new" coalition consisting of local government and company executives formed to direct the future of the community. Although this coalition looked new, the reality was that a more subtle connection had long existed in the community because company executives historically had served on municipal council.

The company's way of relating to the community was characterized by a particular style. Historically these relations were described as "patriarchal" and "controlled". This style of social relations were reproduced somewhat in local government because some company executives became elected officials. They utilized workplace strategies in local government to forward interests and entrench political power. It is difficult to ascertain whether this was a conscious effort or just an outcome. The subtle influence of these social relations was evident even in 1968. A local business coalition proposed to redefine community identity through the "bavarianization" of the small town community.[17] The process proceeded slowly and it was not until 1973 that

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[16]   *Kimberley Daily Bulletin*, April 20, 1989.

[17]   As Barnes and Hayter, 1992: 660 suggest in their Chemainus case, the "place-bound identity has to rest at some point on the motivational power of tradition. The search for roots ends up being produced and marketed as an image..."

facades in the downtown were "revitalized" to create the "Bavarian City of Canada", and Kimberley was positioned as the 'Alpine capital of Canada'. This invention of a tradition was devised to "enhance the flow of value"[18] through tourist visits to the community. This as Barnes and Hayter suggest is problematic, because these efforts are "not immune from tampering or downright faking for present purposes. Through the presentation of a partially illusory past it becomes possible to signify something of local identify and perhaps to do it profitably."[19]

At the same time, as Ian McKay suggests, these processes were devised to make "certain debatable assumptions seem like 'natural' common sense".[20] The elimination of debate is similar to the idea that opposition can be co-opted. Reed suggests this in her work on sustainable development and hinterland communities. In much the same way as Reed describes, the coalition in Kimberley was able to "organize support and co-opt its opposition by creating hegemonic projects and induce the opposition into supporting business coalition strategies".[21] The Kimberley coalition was able to gain the support of the municipal government and address the concerns and interests of individuals in the community by addressing their fear.[22] Bill Taylor spokesman for the downtown revitalization community planning committee used a dramatic presentation to rally the community behind their plan. "At the meeting he dramatized the future of the community by holding up a shovel telling the meeting, 'this is what you will need to buy yourselves if you choose not to go ahead with the project. He pointed to declining property values and the slow dying of the city if other areas of economic enterprise were not found to supplement and replace the dependence of the single resource industry."[23] The power of this message is evidenced in a statement made by Bill Adair, owner-operator, Kimberley Litho. "I remember ten years ago, the local newspaper publisher came to a town meeting with a shovel. He said we were either

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[18]   K. R. Cox and A. Mair. Locality and Community in the Politics of Local Development. *Annals of the Association of American Geographers*, 78, no. 2, (1988): 310.

[19]   Barnes and Hayter, 1992: 660.

[20]   Ian McKay. *The Quest of the Folk: Antimodernism and cultural section in twentieth-century Nova Scotia.* (Montreal: McGill-Queen's University Press, 1994), 40.

[21]   M.G. Reed, "Governance of Resources in the Hinterland: the Struggle for Local Autonomy and Control." *Geoforum*, Vol. 24, No.3 (1993): 249.

[22]   Cox and Mair,1988: 315.

[23]   *Kimberley Daily Bulletin*, "A Salute to Kimberley", 1973.

going to have to do something about the town's decline or bury it. Most people got the message."[24] Many residents of Kimberley experienced an "an acute sense of loss and crisis of meaning"[25] in much the same way as described by Cox and Mair on the realization that the Sullivan Mine would not continue to provide employment for generations to come.[26] Local business coalitions often capitalize on this sense of loss to rally community members around a particular vision, to create a constructed collective sense of identity.[27] Yet, the transitions that occurred between 1966 and 2001 were part of a larger series of transitions in the history of the community.

1.4   History of Transitions

"It isn't the changes that do you in, it's the transitions."[28] Transitions are all about letting go of old ways and old identities. There are many ways to frame transitions, but in essence it is an ending. The difficulty is making it through the time when the old way of working, the old community identity is gone or slipping away, but the "new isn't fully operational". Community transitions are about creating new identities, experiencing new energies, and acquiring a new sense of purpose. This is not an easy process as was demonstrated in Kimberley. To understand and learn from the experience requires an analysis of the processes of change.[29]

The community of Kimberley persisted in reshaping its identity and the meaning it extracted from the social relations within the community to form a local sense of place.[30] Why individuals might have difficulty rejecting an identity that rested solely on the attributes of the resource is intricately linked to the history of the community. Kimberley's

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[24]   Canada. *Tourism Canada*, "Top Secret: Why Tourism is so Important", 1984, 13.

[25]   Cox and Mair, 1988.

[26]   Agnes, Koch, *Kimberley in Transition: A case study of socio-cultural change in a mining community*. (Cranbrook: College of the Rockies, 1996), 1-198.

[27]   This process has been researched by Cox and Mair, 1988 and is described in the literature review.

[28]   William Bridges, *Managing Transitions: Making the Most of Change* (USA: Perseus Publishing, 2003), 3.

[29]   Linking the experience of Kimberley to the work of William Bridges on organizational change provides another perspective on the geographic literature.

[30]   The process through which a community can form a sense of identify based on social relations is discussed in C Reimer, "A Sense of Place: The Local in British Columbia." *BC Studies*, no 127 (Autumn 2000):109-115.

early years, before incorporation in 1944, were primarily as a company town, where the company provided housing, supplies, and other services. The Consolidated Mining and Smelting Company operated the Mark Creek Store until 1952, when it sold the retail establishment to the Hudson 's Bay Company. The company dominated the community through its contribution to the tax base. Up until the early 1950s Cominco employed 89% of the labour force. Many of the early civic leaders were Cominco employees such as H.R. Banks, a Cominco manager, and past president of the Associated Boards of Chambers of Commerce of southeast British Columbia. These individuals had far reaching impact on the relations between labour and capital throughout the East Kootenays. Tom Langford, in illustrating the important role of unions in the Crowsnest community's power structure discusses how the Associated Boards of Trade in East Kootenay passed a resolution opposing the union dues check off.[31] The union members were first and foremost workers who had economic power because of their capacity to stop production through a strike. This association between economic power and worker identity transferred into community life because most residents were either present or former miners and their families.[32]

The community had a long history of class struggles and union politics stretching back to the first decades of the century. Many residents enjoyed stable employment as miners until retirement, while others that left the company, stayed in the community and became entrepreneurs. As Langford argues, union ideology stressed an alternative vision of community based on "equality, rather than hierarchy, solidarity rather than self interest and democracy rather than corporate oligarchy."[33] This ideology while not overtly expressed by residents was evident in the community through volunteering and involvement in clubs. Philip John McKim is an example of the many workers that came to the city and never left. Born in Lancashire, England, 5 March 5, 1882 and raised in Sligo, County Sligo in Ireland, McKim came to Canada in 1909, working first in Ontario and Saskatchewan before moving to Kimberley in 1924 where he worked as a carpenter at the Sullivan Mine, and in 1930 transferred to Cominco's concentrator operation as

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[31] Tom Langford, "An Alternative Vision of Community: Crowsnest Miners and their Local Unions during the 1940s and 1950s" in *A World Apart: The Crowsnest Communities of Alberta and British Columbia*, ed. Wayne Norton and Tom Langford. (Kamloops: Plateau Press, 2002), 150.

[32] Langford, 2002: 148 –9.

carpenter foreman until his retirement on August, 1948.[34] McKim was very active in the community volunteering his time on the Employees Welfare Board, in the development of the Kimberley Cemetery, chairman of the Kimberley School Board, Treasurer of the Senior Citizen's Association, and active member of the North Star Lodge #56 Knights of Pythias. Belshaw's example on Vancouver Island suggests that McKim, like other Kimberley residents, fashioned an identity that went beyond "the business of work" and in this way he like many others played a role in shaping the community.[35]

These immigrants who traveled to company towns like Kimberley entered into generally closed and polarized communities. The mineral economy of British Columbia and particularly of Kimberley and the Kootenay region was a complex inter-related structure. The Consolidated Mining Company was formed from a Canadian Pacific investment in the Trail smelter. The company was also able to acquire extensive land grants and railway rights, along with properties such as the Sullivan Mine. The Consolidated Mining Company was designed to be a long term capital intensive venture, whose success was determined by low cost extraction and high grade ore.[36] In the Kootenay District 89% of men were immigrants.[37] The company town of Kimberley was a planned community where paternalism reigned. "There was never any question about who owned and controlled the community."[38] This situation was similar to many company towns in the period between 1920 and 1950. Companies retained an attitude of "benevolent paternalism" to attract and retain employees[39] The Consolidated Mining and Smelting Company was no different. The company was known for its generous social programs. It supported the building of the ski hill and the development of community facilities from recreation halls to schools. If the company did not provide a benefit for the workers, then the union did. Resource dependent communities experienced isolation

[33]   Langford, 2002:148.

[34]   *Kimberley Daily News*, April 15, 1961.

[35]   J.D.Belshaw, *Colonization and Community: The Vancouver Island Coalfield and the Making of the British Columbian Working Class*. (Montreal: McGill-Queen's University Press, 2002), 212.

[36]   David Bercuson, Labour Radicalism and the Western Industrial Frontier: 1897-1919. *The Canadian Historical Review* No, 2 (June 1977): 154-173.

[37]   Bercuson, 1977: 163.

[38]   Reference to community history in the thesis interviews by corporate and muncipal actors.

from other regional centres, but workers were also isolated and dependent on each other. Experiences such as volunteering defined identity, as did local organizations such as lodges, union halls. The experiences of men were local, and the relations of men within the union local were the means of identification.[40] In this context, then the shock that the Sullivan Mine would not continue to provide jobs can be understood in terms of a loss of meaning based on the loss of economic power and worker identity.

The legal incorporation of Kimberley in 1944 marked the beginning of a transition from company town to a community that increasingly would be responsible for its own prosperity. The implications of this process were likely not evident in the 1940s when this process began. Cominco had historically owned most of the land, but in the late 1940s it began the process of transferring title to the City either through sale, trade, or donation. The community had been dependent on Cominco for such basic services as water, electricity, and fire protection. In 1946 it accepted the responsibility to provide fire protection and later it purchased the town's power system from Cominco. This was later sold to BC Hydro in 1970. All of these developments were seen as evidence of increased independence. Yet even in the 1960s Cominco still owned a large share of the land in the community. Cominco's tax revenue represented the largest percentage of the tax base. The community had diversified to a small extent in forestry, small service businesses, and tourism. Yet the community still exhibited many of the classic attributes of a single-industry resource dependent town, in that it was dependent on Cominco for employment and tax revenue.

In 1986 Teck Corp purchased Cominco and took over the Trail and Kimberley operations. It proceeded to reorganize operations in response to business challenges. After a protracted labour dispute in 1990 and in response to declining ore prices and the quality of the ore body, Teck-Cominco announced an indefinite shut down of the Sullivan Mine. Although the event shocked the community, it mobilized the community to increase local control and prepare for the future demise of the Sullivan Mine. When

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[39] Jean Barman, *The West Beyond the West: A History of British Columbia,* (Toronto: University of Toronto Press, 1991), 232 suggests that this type of paternalism was benevolent, other historians have suggested it is "welfare capitalism" and note it is in response to workers unrest.

[40] Bercuson. 1977: 167-8.

operations restarted at the Sullivan Mine, Teck-Cominco announced that the mine would be closed in ten years.

1.5 Summary

In summary, the historical introduction provides a context to understand how past relations and events influence contemporary experiences. This context helps the researcher to identify and analyze the nature of change occurring in the community. The legacy of historical operations in Kimberley has social, economic, and environmental implications for the community. The challenges of community sustainability require an examination of governance in terms of the interaction between people, the role, effectiveness and influence of actors. However, the decisions and actions of citizens and local governments are not distinct from the historical patterns of development. They are built on historic relations and are very much a part of the social fabric of the community.

CHAPTER 2.

Literature Review

2.1 Introduction

The research questions encompass a broad range of topics from social history, community studies, community economic development, to economic and environmental geography and environmental studies, to issues of business management, particularly business ethics and their relationship to corporate social responsibility. The literature review is designed to situate the research within its academic context, to identify related thinking on the topic and to identify gaps. The core methodological approach that informed the thesis research was based on the community economic development literature. Yet, community studies rarely bridge the different perspectives inherent in historical, geographical, and business disciplines. To fully understand the process of change impacting communities requires an interdisciplinary approach that draws on a broad base of literature beyond community economic development.

2.2 Studies in Economic History

Histories of British Columbia before 1945 focused on subjects ranging from the province's colonial past to issues of progress, and the abundance of resources. Many historians came to understand the development of the province and later its dependence on resources from the work of staples theorist H.A Innis. Other historians have debated the utility of Innis, particularly Canadian Marxists, suggesting that staples theory is not useful to understand capitalist industry and the west. Despite this discourse, staples theory is a uniquely Canadian conception of economic and society development. In that each staple creates a particular economic situation that is influenced by temporal and spatial considerations. The space place tension between metropole and periphery is created by the nature of the resource, and as Harvey also suggests this tension is both

creative and destructive.[41] In examining the influence of staples on the economic history of the province, other researchers have examined Innis' work in the context of manufacturing and the implications for communities associated with primary resource extraction.[42] However, critics of his work suggest that while he does note the tension and conflicts between geography, technology, institutions and the nature of the staples, he ignores the tension between classes, in particular, people. Critics often suggest that Innis is a technological or geographical determinist, who ignores human activity. Marx claimed that "humans" make history; in contradiction to more formal determinists. Some may argue that this includes Innis, and utilizing his theory aligns the researcher with a particular ideology. However, this is not the objective in this case. The reference to Innis and other theories provides a framework that reinforces the importance of geography and historical approaches in understanding the case.

2.3 Studies in Industrialism and Economic Development

The contribution of historians and geographers through classic works on industrial accumulation and the exploitation of resources detail how processes produced dependencies, which were evidenced through specific community attributes. In this regard Innis, Lucas, Siemans, and others were able to make assumptions regarding the homogeneity of labour and economic structures within communities such as Kimberley.[43] This homogeneity rested primarily on male workers that the company wanted to ensure stayed put. In many resource dependent communities, the company provided or subsidized housing and other services. In Kimberley, Cominco was often referred to as "mother Cominco" because it looked after many of the needs of its employees, including

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[41] For more on the similarities between Harvey and Innes and the geography of accumulation see, Barnes and Hayter, 1992: 649-53.

[42] James E. Randall and R. Geoff Ironside. "Communities On The Edge: An Economic Geography of Resource-Dependent Communities in Canada." *The Canadian Geographer*, 40, no. 1 (1996): 17-35. This has also been discussed in S. Markey, J.T. Pierce and K. Vodden. "Resources, People and the Environment: A regional Analysis of the Evolution of Resource Policy in Canada." *Canadian Journal of Regional Science,*Vol. XXIII, No. 3 (2000): 428-454.

[43] Classic works include H. Innis. *Problems of Staple Production in Canada.* (Toronto: University of Toronto Press, 1933) R. Lucas *Minetown, Milltown, Railtown: Life in Canadian Communities of Single Industry.* (Toronto: University of Toronto Press, 1971) L.B. Siemens 'Single Enterprise communities on Canada's resource frontier' in *New Communities in Canada: Exploring Planned Environments*, ed N. Pressman. (Waterloo, ON: University of Waterloo, Faculty of Environmental Studies.1976), 277-97.

the provision of milk for workers through a company owned dairy, leisure activities, and health benefits. These types of policies were instituted because they delivered benefits to the company, including the attraction and retention of stable workforces, and guaranteed a supportive and happy work force, thus avoiding the intrusion of unions.[44]

However, as companies transferred or sold their interests to individuals or municipal governments to decrease their operating costs, individuals affected by restructuring had to devise alternative strategies. For example in the case of Kimberley, a small number of workers at the Sullivan Mine left Cominco to set up their own businesses as ancillary services for the local mining industry later diversifying into other sectors. This was the case of small-scale entrepreneurs such as Milo Fabro, who originally worked underground at the Sullivan Mine as a teenage in the 1930s. Later he went on to establish Fabro Building & Supply in 1936 and Fabco Forest Products in 1950.[45] Miners also worked as carpenters or general labourers in mining down cycles as a response to economic uncertainty, although this work was often related to the mining industry. Other individuals that developed motels or retail outlets did so to capture a share of high mining wages and the demand for services due to community expansion. This "working class capitalism, then, enhanced the economy while retaining a badly needed pool of labour."[46]

Yet, these flexible strategies could also be viewed as a rising entrepreneurialism in response to the conditions of production. At the same time they allowed working class miners to refashion and define their identities not in fixed terms as a miner, but more broadly as community members. Certainly while alleviating economic uncertainty by compensating for shortages of work, they also entrenched local dependency. In that the economic uncertainty of labour was shifted to the community through decreased mobility and increased dependence on an insecure economic base. The case of Schefferville

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[44] This is similar to the case of the Schefferville mining community where the company subsidized single-family homes to attract a stable workforce as detailed by J. Bradbury and I. St-Martin."Winding Down in Quebec Mining Town: A Case Study of Schefferville." *Canadian Geographer,* Vol. 27, (1983): 128-44.

[45] *Kimberley Daily Bulletin,* "A Salute to Kimberley: 1890-1999", 2000

[46] D. Belshaw, *Colonization and Community: The Vancouver Island Coalfield and the Making of the British Columbian Working Class,* (McGill-Queen's University Press. Montreal & Kingston, 2002), 173. Although this study does not reference Kimberley, the experiences of miners and the development of a working class capitalism on Vancouver Island is similar to Kimberley.

demonstrates this by outlining how interdependency between regulatory policy, market relationships, and the process of transferring services from the company to the community, which was initially thought to be positive, had negative consequences for workers.[47] One of the ways in which local dependence is entrenched is the inability of workers to either sell their homes or get an equal or greater return on the investment they have made. Everitt and Gill have demonstrated that while housing can be a key stimulant for stagnant communities, they contend that housing in these communities is not an investment, but merely shelter, because a lack of supply and demand.[48] However, the nature of Canada's resource economy has favored large-scale industrialization and the influential role of government in economic development. This process has been contrasted by the universal and historical story of families and individuals, struggling for economic security. In the case of Kimberley, entrepreneurialism became a viable flexible strategy that enabled individuals to be "active agents in their own making" reshaping the local economy in the process.[49]

2.4   Studies in Industrial Restructuring and Diversification

Canada's economic development policy has often been characterized as focused on diversification from specialization in resource extraction and processing to secondary manufacturing and service industries.[50] In creating the 'modern economy' Canada has not focused on creating and stimulating links between firms to such a degree to cause high rates of development, adoption or modification of innovative processes.[51] This is evidenced in non-renewable extractive industries that are subjected to external markets, and increasing market pressures. Post war politics created a demand for strategic minerals, which stimulated investment in Canadian mineral infrastructure. This period of production known as Fordism is both a production system and regulatory framework

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[47]   Bradbury and St-Martin, 1983: 135 discuss the challenges of local dependency from increasing community attachment to decreasing community involvement through withdrawal from public services and municipal affairs.

[48]   J. Everitt and A.M. Gill. "The social geography of small towns" in *The Changing Geography of Canadian Cities*, ed. L.S. Bourne and D. Ley. (Montreal, Kingston McGill-Queen's University Press, 1993), 260.

[49]   Belshaw, 2002: 174.

[50]   J.H. Britton, *Canada and the Global Economy: The geography of structural and technological change.* (Montreal; Buffalo: McGill-Queens University Press, 1996), 433.

[51]   Ibid, 438-440.

exemplified by mass production, corporate organization, and standardized products.[52] Fordism actually occurred over a brief twenty-five year period from approximately the late 1940s to the 1970s. Yet, while community expectations of long term, high paid wages continued to rise, global trading conditions were shifting significantly. New investments in mineral production around the world were beginning to put pressure on Canadian producers. In the 1980s base metal prices fell worldwide to levels not seen since the 1930s. Mergers, acquisitions, and take-overs accelerated as Canadian mineral companies as price takers were forced in the new post Fordist era to radically restructure their operations.[53] As mineral reserves became depleted or too costly to extract companies closed or reduced operations.

Porter identified metals, as an early stage of processing activity and grouped it within one of five clusters of natural resource export activities defined by the end use of the products.[54] Historically, mining has focused on extraction and processing technologies with little emphasis on value added product development. Mass producers have responded by implementing strategies to remain competitive, and to address the oscillating nature of world mineral prices. Often when prices decline they are subject to the cost price squeeze that occurs when extraction cost rise as the quality of the resource declines.[55] The changing strategies of firms, globalization, and a series of economic crises subjected communities to rapid change through a process of economic restructuring. The interrelated social and economic conditions in resource dependent communities combined with the impact of corporate and political forces impact and are evidenced in the modes of production including international price structures, raw material requirements, and short and long-term patterns of boom and bust cycles. All of these factors contribute to a form of structural unevenness that despite differing paths of

[52] R Hayter and T.J Barnes. "Canada's resource economy," *The Canadian Geographer*, 45, no 1 (2001): 38.

[53] Iain Wallace."Restructuring in the Canadian Mining and Metal-Processing Industries in Canada and the Global Economy:" in *The Geography of Structural and Technological Change,* ed. JNH Britton. (Montreal: McGill-Queens University Press, 1996), 123-4.

[54] Michael Porter. Canada at the Crossroads, Ottawa: Business Council on National Issues. (Ottawa: Minster of Supply and Services, 1991).

[55] R.A. Clapp "The Resource Cycle in Forestry and Fishing. *The Canadian Geographer*, 42, no 2, (1998): 129-44; W.R Freudenburg, "Addictive Economies: Extractive Industries and Vulnerable Localities in a Changing World Economy. *Rural Sociology,* vol 57, 3 (1992): 305-332.

development is characteristic of resource dependent communities.[56] The restructuring experienced by communities was initially conceived as a management tool to improve competitiveness. The impacts were generally considered only in the context of the firm. Yet, subsequent research has demonstrated that restructuring had real impacts for regional and local economies and workers impacting labour, economic and social structures.[57] The restructuring discourse was the language of the new managerialism, the technocrat, and the financial expert, mixed with the metaphor of business school and expressed in terms associated with economics and actuarial science.[58]

Randall and Ironside argue that each community is in fact distinct and shaped by the resource sector that dominates economic life, the degree of community isolation, gender differences and labour force stability.[59] In the case of Kimberley the isolation was social and spatial. Robinson's analysis of four communities all of which were dependent on mineral and metals extraction exemplifies this type of isolation. He outlines how it created a "boom and bust" cycle, and how the reliance on a single industry made it difficult for company towns to not be dependent.[60] Later, Lucas conducted what was considered at the time one of the most comprehensive analysis of the social and economic relations in Canadian single industry communities.[61] The dominance of the single industry thwarts attempts to diversify, compounded by isolation that ensures the community remains specialized. Although he did not conduct an in depth gender analysis, Lucas acknowledges that the traditional resource-based industry held few opportunities for women. "The economic and technical factors that were instrumental in locating and developing communities of single industry are the same factors which rule out additional industry, diversification of the economic base, and expansion of

[56] Bradbury, 1979.

[57] R. Hayter, Trevor Barnes and Eric Grass. *Single industry towns and local development: three coastal British Columbia forest product communities.* (Thunder Bay, Ont.: Lakehead University Centre for Northern Studies, 1994) R. LeHeron, and E. Pawson, ed. *Changing Places: New Zealand in the Nineties.* (New Zealand: Longman Paul Ltd, 1996).

[58] W. Moran, G Blunden, and N. Lewis, "Regulation Sustainable Rural Systems: Political Rhetoric and Reality". (A paper presented at the International Geographic Congress, Den Haag, August 5, 1996).

[59] James E. Randall and R. Geoff Ironside. "Communities On The Edge: An Economic Geography of Resource-Dependent Communities in Canada." *The Canadian Geographer,* 40, no. 1 (1996): 17-35.

[60] I.M. Robinson, *New Industrial Towns on Canada's Resource Frontier,* Research Paper no 73, Chicago: University of Chicago, Department of Geography (1962), 118.

[61] R. Lucas, *Minetown, Milltown, Railtown: Life in Canadian Communities of Single Industry.* Toronto: University of Toronto Press, 1971.

population."[62] Resource dependent communities became characterized by attributes that constructed a generalized identity based on a series of assumptions.[63]

This resulted in a specialized local economy that was reliant on the resource and extractive industry development.[64] In this context it was also extremely dependent on the competitive market-based economy, policy and regulatory regimes, and the ability of the natural and ecological environment to sustain extraction.[65] Cox and Mair in their intriguing work on local dependence discuss the influence of market relationships on local dependence.[66] They illustrate the relationship between the rise of the welfare state, regulatory institutions, capitalism, and commodification. The interdependency among these processes has resulted in the production of social and market relations that are dependent on places. Restructuring changes the nature of these relationships, but does not eliminate the dependence on geographic places. Isolation exacerbates local dependency issues, which are transmuted through local interaction sites such as the mine, church, and the union hall. These places provide the local context in which knowledge and experience of the world is gathered, common awareness shared, and common meanings attributed. In these spaces people become aware of their relationships as locals. In this context, place acquires its strong and positive association. Kimberley has a strong local identity, which is based on traditional forms of social relations. It may well be that the community rejects resource dependency attributes because the domination of particular ideas have effectively nullified any dissonance or that in rejecting an identity based on resource dependent attributes Kimberley is reflecting the roots of local dependence.

[62] Lucas, 1971: 394.

[63] Lucas, 1971:191.

[64] S. Markey, J. Pierce and K. Vodden. "Resources, People and the Environment: A Regional Analysis of the Evolution of Resource Policy in Canada." *Canadian Journal of Regional Science.* Vol. XXIII, No. 3. (2000), 447.

[65] J. Pierce. "Thinking Globally, Acting Locally: Promoting CED for Forest Based Communities." *BC Studies Conference* (Nov. 13. 1999).

[66] Cox and Mair, 1988: 307-325.

2.5   Implications of Technology and Knowledge

The implication of technology and knowledge economies on economic and industrial restructuring requires separate consideration. Troughton has stated that there are very few studies of change in mining communities, especially the changing nature of technology, and its impacts on employment and communities.[67] However, though slow to innovate Canadian mining companies have reduced costs through technical innovation, downsizing, and workforce restructuring. The result is that many resource-based communities have historically experienced reduced employment opportunities or unemployment over time.[68] However, the impact of technology is not all negative if one considers information and communication technologies and knowledge management tools that have been useful to both private sector firms and community-based non-profit organizations. One definition of technology suggests it is "some human construct or artifact that potentially can enhance and enable human activities".[69] Thus technology is both a friend and a foe.[70]

Technology has allowed individuals, community groups, and organizations to manage, share and transmit knowledge, through databases, email, and web-based portals. Some knowledge workers have been able to relocate to rural or hinterland communities, because they work remotely using technology to communicate with colleagues and clients. These new jobs are beginning to reshape some communities through the relocation of telephone, telemarketing, radio, and other communications services. However, not all communities are able to attract independent knowledge workers in small firms because of infrastructure barriers or locational issues. Also, while

[67]   M.J. Troughton. "Presidential Address: Rural Canada and Canadian Rural Geography-An Appraisal". *The Canadian Geographer,* No. 4, (1995).

[68]   I. Wallace "Restructuring in the Canadian Mining and Metal Processing Industries in Canada and the Global Economy" in *The Geography of Structural and Technological Change,* ed JNH Britton (Montreal: McGill-Queens University Press, 1996), 125.

[69]   A.K.P Wensley and A Verwijk-O'Sullivan, " Tools of Knowledge Management" in *Knowledge Horizons: The Present and the Promise of Knowledge Management* ed. C. Despres and D. Chauvel (USA: Butterworth-Heinemann, 2000), 115.

[70]   For a penetrating analysis of the implications of technology that suggests the benefits and deficits of new technology are not distributed equally see Neil, Postman, *Technopoly: The Surrender of Culture to Technology.* New York: Vintage Books, 1993. Postman links to the work of Harold Innis, to demonstrate historically how technology creates knowledge monopolies. He argues that the uncontrolled growth of technology has the potential to undermine social relations and create a culture without moral foundation.

technology can appear as a solution for communities it also presents challenges. This is the case for call centres, which capitalize on low wages and captive markets in terms of workers. These types of jobs it could be argued reinforce dependency as they capitalize on workers who stay in communities because of homeownership and other issues that reduce the ability to relocate. As Neil Postman suggests every technology is a "both a burden and a blessing; not either-or, but this and that" simultaneously helping and hurting communities.[71]

The hype of the knowledge economy includes a related argument that is useful to consider. It suggests that a new battle is arising and reshaping business. This battle is similar to the one between 'capital' or the company and labour during the industrial age. It is argued that in the knowledge-based economy, knowledge workers or the "talent class" are becoming "more valuable to a company than its capital assets".[72] However, this argument is misdirected. After all, most workers historically have had some form of knowledge, from the craft worker to the shop floor. Knowledge revolutions have occurred throughout history, from the agrarian to the industrial revolution. Grant argues that, "it is not apparent that the 'knowledge-based economy' inhabited by 'knowledge-intensive firms' and that 'knowledge workers' are fundamentally different from the preceding industrial economy.[73] It may well be that the current interest in knowledge management is a result of new tools, concepts and knowledge outsourcing that recognize the value of knowledge and the potential to manage organizations, generate profits, and direct productive activity.[74] Knowledge may be playing an increasing role in enhancing productivity, but "the idea that we have moved from an economy based on land, labor, and capital to one based on knowledge is nonsense."[75]

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[71] Neil Postman, 1993: 4-5.

[72] Roger L. Martin and Mihnea C. Moldoveanu, "Capital Versus Talent: The Battle That's Reshaping Business" *Harvard Business Review* (July 2003), 36-41.

[73] Robert M. Grant. "Shifts in the World Economy: The Drivers of Knowledge Management" in *Knowledge Horizons: The Present and the Promise of Knowledge Management* ed. C. Despres and D. Chauvel (USA: Butterworth-Heinemann, 2000), 27-53.

[74] This management process is reminiscent of "Taylorism", which managed workers to improve productivity and efficiency, increasing the firm's profits.

[75] Grant, 2000: 31.

2.6   Studies in Community Economic Development

In considering economic development and industrial restructuring in British Columbia, an important factor is community resiliency. Communities are no longer passive actors in the process of restructuring. Although some researchers have suggested that only government intervention can ensure community survival, many communities are undertaking community-based strategies. At the heart of this debate is the idea that communities can play a role in shaping political decisions. The term civil society is often used to capture the realm of community-based social organizations that operate with some degree of "autonomy and voluntary participation" outside formal governing institutions.[76] These debates also "question local government's ability to act as a democratic representative of its citizenry".[77] Theorists suggest that social organizations play an important role either through passively informing citizens to allowing for active involvement in issues that contribute to democracy. Community economic development or CED is based on the idea of civil society. A deceptively simple premise; "CED is a process by which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term community capacity and foster the integration of economic, social, and ecological issues at the local level."[78]

CED practice is also based on principles that direct practical research from a community-based approach to development-based relationships. Historically communities have been the recipients of top-down decisions and externally-based 'expert' advice from industry consultants. CED engages communities in a participatory process that is much more than consultation. It involves citizens representing a variety of community interests and sectors working together at the table with government and industry addressing local problems and identifying opportunities. The premise is that these relationships build community competency and knowledge. Yet the varying degrees of participation can impact authentic participation. The question of who is invited

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[76]   Mary Louise McAllister. *Governing Ourselves? The Politics of Canadian Communities.* (Vancouver: UBC Press, 2004), 15.

[77]   Ibid, 2004: 44.

[78]   Sean Markey, John T. Pierce, Kelly Vodden, and Mark Roseland, *Second Growth: Community Economic Development in Rural British Columbia.* (Vancouver: UBC Press, 2005), 101-138, also see Ross and McRobie 1989 in Markey et al, 2005: 2.

to the table and to what degree they are involved in decision making is integral to the authenticity of participation. CED attempts to take into account the health of the environment, the health of the local economic system, and the social health of the community. Each of these interdependent factors influences whether a community is sustainable or not. The mantra of "think globally – act locally" is at the heart of localized nature of CED. The strength of CED is easily understood within the local context, yet globally it is less so. Sustainability with its focus on ecological, economic, and social issues is inherent to the CED concept and is realized through local projects that contribute broadly or as some have suggested optimistically to global objectives.

CED also challenges historical thinking about communities, from providing solutions to critical weaknesses based on needs assessments to examining community strengths as community assets. In leveraging these assets communities are able to rely on strengths that exist within the community. This premise is understood through the lens of collective behavior in terms of 'self reliance'. Communities are increasingly interdependent on regional, national, and global scales. This makes this approach to CED ever more relevant because communities can gain some control over the local economy. Researchers have suggested that this interdependent approach allows communities to become more self-reliant.

> The focus of an interdependent approach to self-reliance is reduction of the influences of external decision-making and economic dependencies, diversification of the local economy to avoid the pitfalls of product or sectoral specialization, and the building of better, more locally advantageous external relationships.[79]

CED principles represent an idealized methodological approach to local development. They provide a framework for guiding practical planning and project implementation, while also allowing for the integration and balancing of competing interests.[80] Community economic development practitioners have translated these principles into

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[79] This approach is discussed in detail by J. Friedmann, "Life Space and Economic Space", 1988, and E. Blakely 1994 both are referenced in Markey et al, 2005:105.

[80] See CED Principles in Markey et al, 2005: 102-105.

processes that help communities to work together through participation and cooperation and the development of partnerships.[81]

Case studies such as those on New Zealand provide a practical demonstration of how the processes of restructuring are spread over broad geographic scales, through the company, which operates at a global scale interacting with customers and suppliers, and on a national scale through regulatory efforts, and on a local scale through its operations in local communities.[82] The relationships at each of these scales represent three economic systems,[83] which are dependent on each other, but each has different planning goals and constraints. The perspectives of company, government, and community actors at times converge and at other times are in opposition. This matrix of competing interests has direct implications for communities, for social relations, and the environment.

Markusen's research reinforces the complexity of economic development at varying scales as a matrix of forces from corporate strategies, industrial structures and profit cycles, to provincial priorities, local, and national politics.[84] She stresses that local institutions are important, but understanding why 'sticky' places are successful means looking at the cooperative and competitive relations between companies, workers, and institutions that are committed to ensuring economic viability. She also suggests that successful development efforts are built incrementally on the structures that are in place. There may be extensive external networks and regional actors may cooperate through these relationships, but this does not mean they cooperate cross-regionally. The importance to local communities is that if they want local development to stick they need to make new connections across 'slippery spaces'.[85]

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[81] See this approach in C Bryant, *Sustainable Community Analysis Workbook 1: Working Together Through Community Participation, Cooperation and Partnerships.* Ontario: Econotrends, 1994.

[82] This is exemplified in the case studies in R. LeHeron and E. Pawson, ed. *Changing Places: New Zealand in the Nineties.* (New Zealand: Longman Paul Ltd, 1996).

[83] C. Neil, M. Tykklainen, and J. Bradbury. *Coping with Closure: an international comparison of mine town experiences.* (London/New York: Routledge, 1992), 369.

[84] Markusen, 1996: 293-33.

[85] Barnes and Hayter, 1992 also suggested that 'Old Places Need To Make New Connections' in *Regional Studies*, 26.

One of the ways in which communities are making these connections is through community-based economic development organizations (CEDOs). These are formal structures that enable people to work together in pursuit of common goals. The organizations are diverse and responsible for a range of activities from community planning, to conducting meetings, research, and implementing specific projects. They provide an integrating role in the community, acting as a hub to facilitate relationships within and external to the community. In the field of CED these umbrella organizations are often referred to as community development corporations (CDCs). There are two basic models of CDCs: an "assistance model" and an "equity model". Assistance CDCs provide "grants, loans, technical information, and training" to support community, whereas equity CDCs are actively involved either through investment or whole or partial ownership of businesses. Successful CDCs have strong local organization, clear mandates, and sufficient resources. Integral to the success of CDCs is the capacity of individuals working with the CDC. The CED literature recognizes that the success of CDCs is related to "community capacity [which] is ultimately dependent on individual capacity".[86]

The effectiveness of local actors as agents of change is dependent on individual capacity. Bryant et al, defined "actor effectiveness within the context of (1) their own inherent characteristics and (2) their ability to mobilize and gather internal and external resources from networks to which they belong."[87] The social dynamics of the relationships between organizations and actors is critical to the CED process. As the literature suggests it is strength of these personal and organizational relationships with their links to resources that support and drive the CED process. Yet, for so many communities the gap between vision and implementation is enormous because of the reality of local and external dynamics.[88] If communities are to become sustainable they must plan for eventualities such as resource depletion or economic restructuring that

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[86] Markey et al, 2005:124-127 provides a detailed analysis of the role of local actors, organizations and networks.

[87] C.R. Bryant, et al. "Linking community to the external environment: The role and effectiveness of local actors and their networks in shaping sustainable community development". In Reshaping of Rural Ecologies, Economies and Communities, ed. J.T. Pierce, S.D. Prager, and R.A. Smith. (Vancouver: IGU, 2000); and in Markey et al. 2005:126.

[88] Markey et al: 2005: 126-127.

appear to be a consequence of business cycles. This type of planning must be done well in advance of closure because the networks and relationships that bring together regional communities, municipal, state, corporate and community-based activist groups are established on trust over time. Yet, each of these groups bring different perspectives and understanding to the relationship networks.

2.7 Society and Business: The Implications of Social Contract

The role of business in society has been the subject of numerous debates. A variety of responses have arisen that propose approaches to mediating the effects of market weaknesses and renegotiating rights and responsibilities to address issues such as the tendency for monopoly and concentration of power and wealth.[89] The result today is that there is a corporate citizenship framework that is based on successive social contract disputes. The definition of and perspectives on what this social contract entails is diverse and depends on the issue, industry, and culture.[90] However, broadly it defines the implicit relationship between business and society as one of responsibility and obligations in exchange for opportunities and mutual benefit. The challenge in defining this responsibility has resulted in the corporate citizenship debate being polarized. There are those that argue that the responsibility of business is to maximize shareholder value. Others have shifted from this position to acknowledge that while this may be true it does not reflect the current operational environment. Suggesting that social issues drive corporate performance and thus must be addressed by business strategy. At the other end of the spectrum, non-governmental organizations argue that corporations are bound by this social contract to mitigate social impacts. Some of these organizations suggest that companies are not doing enough. Concepts of corporate citizenship and corporate social responsibility are presented as frameworks to address the debate. Small town communities exemplify both sides of this polarized debate. In that business at times delivers investment and employment, while also requiring a social licence to operate in

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[89] For more on the contentious history of corporate rights and responsibilities see Steve Waddell "New Institutions for the Practice of Corporate Citizenship: Historical, Intersectoral, and Development Perspectives" *Business and Society Review.* 105:1, (2000): 109.

[90] The concept of a social contract was forwarded by Jean Jacques Rousseau, "From the Social Contrct." In Man and the State: The Political Philosophers, ed. S Commins et al (New York: Random House, 1947), 260-93.

communities. This need by business presents an opportunity for communities to put social pressure on companies operating in their communities. Yet, citizens in small town communities also understand the tradeoffs that are inherent in this social contract. However, they are not often involved in the negotiation and management of these trade-offs.

The debate between society and business is exemplified in the growing body of literature on corporate citizenship that suggests business can engage communities and manage these relationships to their benefit. This literature argues that because "business has indeed become the dominant socio-economic institution in modern society", building the capacity of communities where it does business is one of its responsibilities.[91] This literature builds the business case for investment in "reinforcing the institutional infrastructures" in communities, where corporate operations are located. In contrast to the business perspective is the position of many non-governmental organizations that suggests that the concept of corporate social responsibility (CSR) is an oxymoron, because to remain competitive firms must externalize costs. This position is articulated as follows:

> CSR is a misguided attempt by business to fend off social and environmental regulation by arguing that private innovation can provide better, more cost-effective solutions than governments. At the same time corporate leaders have rightly faced the wrath of activists for failure to deliver on this promise. Why? Because markets are not currently geared to delivering ethical social and environmental outcomes. The reality is that only 5% of consumers make ethical decisions in their purchasing habits. Innovation by business alone will not be enough to tackle the overwhelming problems of our time, from climate change to global poverty.[92]

The perspective that corporations engage communities to manage relations and shape the debate is problematic for communities. Many small town communities do not have the capacity to engage corporations. Yet, they understand the social issues that exist in their communities. Often they bear the benefits and the costs of corporate

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[91]   D. Vidaver-Cohen and B.W. Altman. "Concluding Remarks, Corporate Citizenship in the New Millennium: Foundation for an Architecture of Excellence", *Business and Society Review* 105 (2000), 145-168.

[92]   *The Economist,* February 14, 2004 Letters, Deborah Doan, New Economics Foundation, London.

operations in their communities. Communities must take responsibility for communicating the needs of their members, and for building networks with corporate institutions. Just as corporations need to understand the business case for investments,[93] communities need to understand how benefits promised as part of corporate developments contribute to resiliency and a quality of life that sustains the community economically and ecologically. The challenge articulated by the literature is for communities to ensure that they move beyond the rhetoric of corporate policy and reports that demonstrate "stakeholder engagement". In setting the agenda through negotiation of community benefits, companies in exchange receive a social licence to operate.

2.8   Studies in Defining Community

The term community has generated intensive discussion, because it is an imprecise conceptual tool. The meaning of who "we" are is created from what we see and how we place our self in the world that surrounds us. This vision is affected by "what we know or what we believe".[94] Over time individual and group experiences and identities are shaped by the context of the community in which they reside. Socio-historical categories such as community involve more that just the study of place, for it is within these spaces that social relations are produced and reproduced over time.[95]

The definition of community and the debate on what constitutes "community" has been explored beyond what is commonly thought of as a geographically bounded space to definitions that are constructed internally and externally. Community identity formation is a product of a complex synthesis of multiple factors including landscape, ethnicity, language, class, gender, social relations, and economic processes. The ways individuals understand who they are in communities, and their lives are reflected in the stories they

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[93]   Vidaver-Cohen and Altman, 2000 argue that the business case for investment includes reputation gains, development opportunities, and employee commitment. Implicit in the business case are corporate interests from increasing consumption to acquiring buy in for new resource developments all of which ensure the company can improve profitability and competitiveness.

[94]   John, Berger, *Ways of Seeing.* (London: BBC and Penguin Books, 1972), 7-11.

[95]   J.C. Walsh and Steven High. "Rethinking the Concept of Community." *Histoire Sociale/Social History,* No. 64 (Nov 1999): 258; Anderson, 1983:13-16.

tell. How they see themselves in relation to their reality is a powerful agent of change. Many communities are defined not so much by their size, but by their function, their dependence on non-renewable resources, and their isolation.[96] Thus the conception of community identity may be a complex integration of different messages and stories based on what a community members may believe about themselves.

Historically, it has been used since the fourteenth century to describe emotional responses about what community meant; up until the eighteenth century, community and civil society were interchangeable, representing a group of relationships that existed apart from the state. In the nineteenth century community was differentiated from the evolving industrial societies referring to a more local context of place. In the twentieth century, the conception of community has become even more obtuse. These include political connotations through association with communitarianism to association with ideologies associated with business through entrepreneurial communities and communities of practice.[97] What is common between these descriptions is the idea of community as a common bond between people and place.[98] In 1955, George Hillery uncovered ninety-five definitions of community, in which there were three fundamental elements: commonality among people, social interaction, and common land.[99] The breadth of definitions is reflected in current literature that characterizes "community as imagined reality, community as social interaction, and community as process."[100]

Adam Smith introduced the notion of the traditional entrepreneurial community that competed without "intervention" because it was suggested that it was controlled by the free markets.[101] This conception of community sees government as making and

[96]   J.C. Everit and AM Gill, The Social Geography of Small Towns. In The Changing Geography of Canadian Cities, ed. Larry S Bourne, David F Ley.(Montreal, Kingston, McGill-Queen's University Press,1993), 252-264.

[97]   A community of practice is different from a geographical community in that it involves a "shared" practice that consists of joint enterprise, mutual engagement, and shared repertoire of communal resources. See E. Wenger in Despres and Chauvel, 2000: 205-224.

[98]   Raymond Williams. Keywords: A Vocabulary of Culture and Society. (New York: Oxford University Press, 1976), 65-66.

[99]   Linda Stoneall. Country Life, City Life: Five Theories of Community. (New York: Praeger Publishers, 1983), 4.

[100]   Walsh and High, 1999: 257. The discussion of community as social interaction and process relates to the knowledge management literature that defines communities of practice.

[101]   For more discussion on business as a traditional entrepreneurial community see Wexler, 2000: 97-100.

enforcing rules. It also subscribes to a view of community that is closely associated with rationality, planning, reliance on experts and hierarchy. It is a community that is grounded in a problem solving approach that attempts to reduce uncertainty and produce stability.[102] Individual companies then reflect a pattern of behavior common to all in a "community rooted in the a rather formal matrix of rules and practices."[103] This definition provides context for the thesis research and furthers understanding of the company role. It is also intriguing when one considers that the municipal government of Kimberley, which represents citizens, is also a company because it was incorporated in 1944. In undertaking the research it is recognized that community in terms of its multiple interpretations and applications is an imprecise tool.

2.9   Implications of Sustainability for Communities

Restructuring which arises from and creates change shifts traditional forms of economic and political stability. Restructuring "has brought profound transformations in place-to-place relationships, both internally and externally for communities.[104] One of the implications for small town communities that experience persistent social disruption may be the erosion of social cohesion to the degree that relationships and experiences no longer provide meaning. However, this is not always the case. Some communities that have weathered the cycle of growth, accumulation, and restructuring have been able to renew themselves through adaptation.[105] In other cases communities have also been able to negotiate issues of sustainable resource management and co-management of resources with senior levels of government.[106]

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[102] From this perspective the individual practices of companies can be seen as reflecting the larger community values. Wexler, 2000: 100-104.

[103] Wexler, 2000:100.

[104] The similarities between communities in New Zealand and British Columbia has interesting implications for BC communities, see LeHeron and Pawson, 1996: 7.

[105] Barnes and Hayter, 1992 discuss this process of adaptation in terms of the community of Chemainus.

[106] M.G Reed "Governance of Resources in the Hinterland: the Struggle for Local Autonomy and Control." *Geoforum*, Vol. 24, No1.3 (1993): 243-262. M.G. Reed, "Locally Responsive Environmental Planning in the Canadian Hinterland: A Case Study in Northern Ontario." *Environmental Impact Assessment Review*, 14 (1994): 245-269. M.G. Reed, "Implementing Sustainable Development in Hinterland Regions." In *Resources and Environmental Management in Canada*, ed. B. Mitchell. (Toronto: Oxford University Press, 1995). M.G. Reed, Cooperative Management of Environmental Resources: A Case Study from Northern Ontario." *Economic Geography* 71 (1995): 132-149.

The linking of restructuring to sustainability and sustainable development seems to have occurred around the time that the Brundtland report was published in 1987. The definition employed by the Commission that published the report was founded on a notion of intergenerational equity that linked environmental, social, and economic factors. The generality of the definition has stimulated significant debates, and led some to surmise that because sustainability represents "a specific resolution of a socio-political struggle over social, economic, environmental priorities", which in turn are subjected to power relations that there will never be a concise definition.[107] In resource dependent communities undergoing restructuring, economic issues are usually at the forefront. The addition of environmental issues can result in struggles that polarize the community.

The concept of sustainable communities emerges from the community economic development literature. It defines a sustainable community as one that is economically viable, socially vital, and environmentally sound.[108] The question of how communities can become sustainable; what path should they follow; what do we mean by growth; what are the tools that will allow them to navigate these dynamic, changing realities is raised in the literature. Bryant provides some insights into the structure and processes of sustainable communities.[109] He builds understanding about what constitutes sustainable communities, stressing the importance of local agency, as a central defining element of sustainable community development. He also suggests that little attention has been paid to micro, meso scale dimensions of sustainability compared to the macro or global level interpretations. This micro or more localized focus points to the value of the case study method for understanding and documenting[110] the learning acquired by communities as they respond to change brought on by restructuring.[111] Case studies also help to understand the strategies adopted by communities to build relationships with corporate

[107] N. Lewis, W. Moran and C. Cocklin. "Restructuring, Regulation and Sustainability." in The Sustainability of Rural Systems, ed. Bowle, Bryant, and Cocklin (Netherlands: Kluwer Academic Publishers Dordrecht, 2002),104-105.

[108] Roy T. Bowles, Social Impact in Small Communities: An integrative review of selected literature. (Toronto: Butterworths, 1981).

[109] C.R. Byrant, "Community Change in Context," In Communities, Development and Sustainability across Canada, eds. J.T Pierce, and A. Dale. (Vancouver: UBC Press, 1999), 69-89.

[110] The case study methodology defined by R. Yin, Case Study Research Design and Methods. Applied Social Research Methods Series, Vol. 5. (Newbury Park, California: Sage Publications, 2003).

[111] Markey et al, 2005 provides four CED case studies in British Columbia from Salmon Arm, 100 Mile House, Lillooet Tribal Council and the Nuxalk of Bella Coola.

interests and non-profit groups active in their community. As well case studies contribute to understanding as to how community actors access resources and expand their sphere of influence on a local, regional, national, and international scale in an effort to sustain the local community.[112]

In Reed's research on hinterland resource management, she defines sustainable development as "a direct pattern of resource allocation, development and management which seeks to maintain or improve environmental quality, and to optimize the distribution of current economic and social benefits derived from the interaction of social and biophysical systems."[113] Smith notes that the measuring of sustainability through the development of indicators is dependent on linking these to social capital and human needs. He argues that institutional measures need to be developed to "capture the interactions, arrangements, networks and norms which exist and which shape social structures, facilitate access to power and resources, and support and facilitate policy making."[114] He suggests that the challenge of developing sustainable communities requires a systems-based approach that explores the linkages between social and economic conditions, and the environment at the local level.[115] The implication of this literature is that communities that collaborate with municipal, corporate, state, and activist groups can manage resources more effectively because they understand the local context in which relations and resources are situated.

The pursuit of an idealized goal of a sustainable community involves the continual re-negotiation of relations. This process has economic, social, and ecological implications for communities, in that it requires trade offs to ensure the present and

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[112] Bowle, Bryant and Cocklin, 2002: 248.

[113] M. Reed, "Governance of Resources in the Hinterland: The Struggle for Local Autnomy and Control. *Geoforum*, Vol. 24, No. 3, (1993), 244.

[114] W. Smith. "Developing Indicators of Sustainability". In the *Sustainability of Rural Systems: Geographical Interpretations*, ed. I.R Bowle, Bryant, and Cocklin. (Netherlands: Kluwer Academic Publishers. 2002), 30.

[115] This approach is used by Institute of Cultural Affairs (ICA) and supports "the principle of subsidiarity, in that decisions that belong to a certain level of the organization must be made at that level. Otherwise people indulge in passing the buck on the one hand, or over-managing on the other. The capacity of people to talk things through as a group is key." For more on ICA's approach see Brian Stanfield, ed. *The Art of Focused Conversation: 100 Ways to access group wisdom in the workplace.* (Toronto: New Society Publishers, The Canadian Institute of Cultural Affairs, 200). 12-13.

future well being of individuals and the community.[116] The negotiations generally involve integrating the interests of stakeholders, balancing competing interests within the community, while being flexible and allowing for decision-making at the local scale. The impacts of economic restructuring may well induce communities to negotiate new relationships to market products and services to wider regional and national markets. Ehrensaft has argued that new opportunities exist in peripheral areas of North America for sub-contracting, and the development of non-traditional goods and services associated with primary production.[117] However, the success of these types of localized ventures depends on the "capacity of the local community to organize itself and make demands on branch plants, the attitudes and policies of head offices and the local management of branch plants, the capacity of the community to generate local entrepreneurs, and the ability of local institutions to support the establishment of new enterprises."[118] This is a significant challenge even for communities that have capacity because local communities have limited power and influence. These factors increase the importance of collaboration and leadership.

An important aspect inherent in the definition of sustainability is the principle of equity. This principle is based on the concept of fairness. Government regulation works to ensure principles of equity through the equitable distribution of resources, the development of infrastructure, and to establish the conditions under which trade, conservation and resources are utilized. In resource dependent communities such as Kimberley, community groups perceive regulation as an assurance that companies will comply with environmental regulations that ensure community well being. As one community member put it,

> Our objectives were to push harder than the company would have liked
> to. It is hard to say what the company would do without government
> regulations. Regulations are non-specific so interpretation can really vary.
> Hard to put finger on impact of our role, probably made government and
> company tighten up a bit. I would say that the process reduced conflict,

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[116] Floyd Dykeman, "Developing an Understanding of Entrepreneurial and Sustainable Rural Communities", in *Entrepreneurial and Sustainable Rural communities* ed. Floyd Dykeman. (Canada: Mount Allison University, 1990).

[117] P. Ehresaft, "Restructuring Rural Institutions," in *Towards Sustainable Rural Communities*. J. M. Bryden ed. (Guelph, Ontario: University of Guelph, School of Rural Planning and Development, 1994), 145-156.

[118] Ibid, 146.

by allowing questions and concerns of community to be asked, we toured
the site, learned from technical reports and consultants.[119]

The fact that the rules and procedures of the state are standardized and formalized,
vested in administrative agencies and codified in practices provide a framework for
policy making, but make it difficult for communities, to participate in the process.[120] One
of the ways in which communities may be able to achieve equity is based on the
principle of subsidiarity. It suggests that the state should assist localities with the
performance of tasks that cannot be completed at the local level. The principle of
subsidiarity may provide the means through which communities can challenge the
significant continuity of bureaucratic regulating organizations to resist fundamental
change. However, one of the challenges in vesting decision-making completely in local
agencies or formal coalitions with publicly traded corporations not elected governments
is that local politicised interests might trade off environmental interests for economic
return.

In examining the implications of the sustainability literature for communities, the
concept of adaptative management appears to hold some promise. It has been
forwarded by policy makers, managers, and scientists as a decision making tool for large
complex ecosystems. The literature suggests that it may present a framework for
managing local resources. However, several challenges have been recognized,
including a reliance on "rational comprehensive planning models, a tendency to discount
nonscientific forms of knowledge, and inattention to policy processes that promote the
development of shared understandings among diverse stakeholders."[121] This model
places importance on social interaction and consensus building in reaching management
decisions. However, the literature does not provide much direction in terms of the types
of processes required.

More recent research by Holling may provide insight into the processes required.
He suggests that sustainability is "the capacity to create, test, and maintain adaptive

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[119] The process reference is to the Sullivan Public Liaison Committee consultation process in Kimberley.
Interview with East Kootenay Environmental Society, Kimberley, B.C, 2003.

[120] Clark, 1992: 621.

capability, [while] development is the process of creating, testing, and maintaining opportunity. He suggests that sustainable development, "thus refers to the goal of fostering adaptive capabilities and creating opportunities."[122] In the context of sustainable communities, this definition suggests that local actors through leadership and collaboration can help a community to adapt by enhancing capacity that creates opportunities. Holling provides a framework for understanding the internal factors, external influences, and impact of integrated decision-making necessary to achieve systemic sustainability. Suggesting that since "we are now in an era of transformation" the implication for communities is that to maintain resiliency will require "social flexibility" to "cope, innovate, and adapt."[123]

2.10 Literature Summary

The contribution of the literature rests in the ability to synthesize a cross section of knowledge from different disciplines to broaden our understanding of the complex processes inherent in communities. The literature is a platform on which to build and expand our understanding of community. New knowledge acquired through research in the context of community either resonates with the literature and our experiences or creates dissonance. In fact it is this dissonance, points of divergence from the literature that present the greatest opportunity for critical thinking.

Resonance and dissonance occur in the relations between structures and processes. Actors with differing and at times overlapping economic, social and environmental interests participate, communicate, and negotiate through networks, informal and formal organizations. The success of these interactions is moderated by the degree of equity and transparency, resulting in greater or lesser degrees to trust. The dynamics of trust are complex. Historically organizations and individuals have been able to build relationships, because trust was built on respect for a system that is perceived to

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[121] Rebecca J. McLain, Robert G. Lee. "Forum: Adaptive Management: Promises and Pitfalls," *Environmental Management*, vol. 20, no. 4 (1996): 437.

[122] C.S. Holling. "Understanding the Complexity of Economic, Ecological, and Social Systems". *Ecosystems 4*, (2001): 390-405.

[123] Holling, 2001:404.

be reliable.[124] This did not prevent misunderstandings, or decisions made due to changing circumstances or seemingly unpredictable world events to undermine trust. In the community context, a company can build a reservoir of trust based on consistent actions and behaviors that are aligned with stated objectives. Individual leadership, the good will engendered by the organization through benefits that accrue to the community can be equated to making deposits in a trust account.[125] This demonstrated by the following figure.

Figure 1: *Relationship Between Structures and Processes*
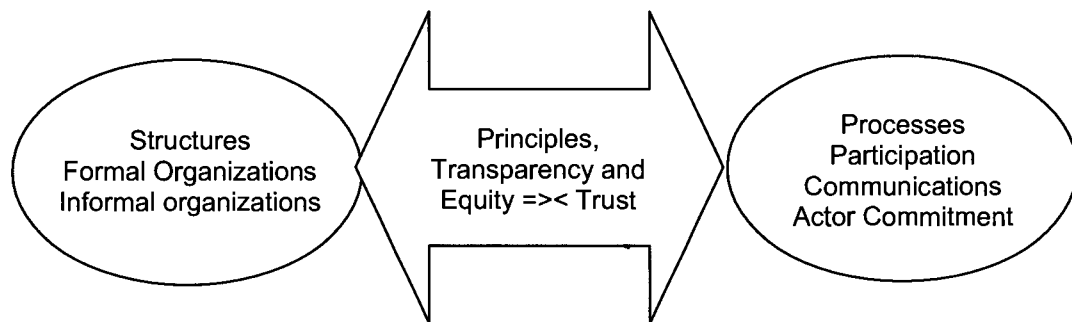
Source: Researcher, 2004.

In examining a broad cross section of literature the researcher is better able to understand the complexity of issues that occur on a local scale. The literature suggests that if local actors are to combat the geographic nature of uneven development, communities need to overcome patterns of relations, which work against cooperation and contribute to local dependency. These conditions often isolate regions and pit community against community in the search for economic opportunities. One of the ways in which the literature suggests that communities can combat uneven development is by organizing collective responses and articulating clear strategies with measurable objectives. Yet, this is often difficult to do because of the polarized nature of relationships that divides individuals in communities. These relations are communicated in a number of ways and are reflected in such things as bumper stickers that state,

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[124]   R Fisher and S. Brown. *Getting Together: Building Relationships As We Negotiate.* (New York: Penguin Books. 1988),107-131.
[125]   Wexler, 2000: 120-121.

"logging feeds my family" or "mining feeds my family". There is a subtle message associated with these statements that attempts to raise the concerns of a particular group. However, there are other divides such as the "union management division that exists in resource-based communities."[126] The divide between union and management extends into the social structure of resource-based communities and impacts the political culture, whereby many social issues are interpreted as the support for either the management (and their affiliation with right of centre political parties) or the labour, left of centre political party perspective. The location of corporate head offices in metropolitan areas such as Vancouver, Toronto or New York creates the perception that decision makers often do not understand local community issues.

Companies usually have general managers at the operational level deal with local issues. Yet, in Kimberley, many of the earlier managers were often characterized as ambivalent, not open, and uncommunicative.[127] It is quite likely that management during this time period reflected the norms and organizational culture of the company. The degree to which the company was comfortable with transparency, the choices it preferred, the processes it valued, and its criteria for decision-making were reflected in community relations. The literature on resource-based communities suggests that the ability of people internal and external to the firm to shape corporate response is dependent on the context of local history, the politics of local economic development, and the community social structure. To understand the strategies and the responses of the community and the company requires more than an examination of the events, but also an understanding of the meaning that each of the actors extracted from the different events. All actors derive social meaning from decisions and negotiations that occur daily in communities. The contribution of the literature suggests that actors in Kimberley were able to overcome the limitations and constraints outlined to develop adaptive capabilities that have allowed them to sustain the local economy.

In summary the literature provides a framework of possible processes through which the community was able to adapt. Certainly, Kimberley's social networks and

[126] Agnes Koch and John Gartrell. 'Keep Jobs in the Kootenays' in *Coping with Closure: An international comparison of mine town experiences.* (London/New York: Routledge, 1992), 208-224.

connections fostered through community projects, volunteering, and support were important. Kimberley had a strong civil society that contributed to a reservoir of social capital that provided community members with resiliency to reorganize. The term social capital has been used by social scientists and progressive economists to explain the relationship between society and community. It "refers to the organizations, structures, and social relations that people build themselves, independently of the state or large corporations". As Roseland explains, "social capital is created when individuals learn to trust one another so that they are able to make credible commitments and rely on generalized forms of reciprocity rather than on narrow sequences of specific quid pro quo relationships."[128] Intriguingly Roseland goes on to suggest that social capital is not limited by material scarcity and thus provides a way forward in terms of sustainability. In examining the relations between individuals in Kimberley, how trust was built and maintained is important to understand in terms of Kimberley's adaptative capability. The civil society and social capital literature is fundamental to understanding how Kimberley was able to respond, build capacity, and adapt to change, through the re-negotiation of relations that contributed to resiliency.

[127] Koch and Gartrell, 1992: 10 describe a context that is relevant to the relations between the community and company of Kimberley.

[128] This more recent definition of capital in social terms is explained by Mark Roseland, *Toward Sustainable Communities: Resources for Citizens and their Governments*. (Gabriola Island, BC: New Society Publishers, 1998), 8. However, social capital is also used to explain the degree of trust that exists "among a network of regional firms". See David A. Wolfe. "Social Capital and Cluster Development in Learning Regions," in *Knowledge, Clusters and Regional Innovation*, ed. J.A Holbrook and David A. Wolfe. (Kingston: McGill-Queen;s University Press, 2002), 11-38.

CHAPTER 3.

Research Methodology

3.1   Introduction

The process of research was grounded in the values of community economic development an approach that recognizes locally-based development efforts. The thesis research process from problem identification to data analysis arose from work experience in the community. It was in documenting the closure of the Sullivan Mine that several different and conflicting perspectives of the community economic transition were presented by stakeholders. In asking community members and company executives' questions about these differences several people mentioned a study conducted by Agnes Koch.[129] At the time this researcher was also reading a study on the community of Elliot Lake. In this study it was suggested that there were very few case studies that examined the process of community adaptation. The study stated that;

> Elliot Lake was not the first single-industry town to face the closure of its main employer. Yet when our particular crisis struck, there was precious little in the way of documentation of the experiences of other single-industry towns in crisis and of their efforts to redesign themselves. The structures put in place - the successes and failures - should be analysed and evaluated to provide a starting point for other single-industry towns in crisis. The work done through the Laurentian University Field Research Station and the Elliot Lake Tracking and Adjustment Study makes a good start in this direction. It is our hope that some day a comprehensive document can be developed about the experience of Elliot Lake that will be of use to other communities like ours in the future.[130]

It became evident that research on the processes occurring in Kimberley and the role of actors would be valuable in understanding community change.

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[129]   In this study Agnes Koch, 1996 details how change and economic transition affected people in the community.

[130]   Anne-Marie Mawhiney and Jane Pitblado. *Boom Town Blues: Elliot Lake Collapse and Revival in a Single-Industry Community.* (Toronto: Dundurn Press, 1999), 63.

3.2   Research Design

In the context of the research project it was determined that a qualitative approach would be most appropriate in conducting community-based research. Initially an approach used by community researchers called Participatory Action Research (PAR) was considered. PAR involves people in the organization and/or community under study participate actively with the researcher throughout the research process from the initial design to the final presentation of the results and discussion of their action implications.[131] Certainly, while this approach is valid, the PAR research process takes too much time for a master's thesis. After reviewing different types of research design a case study approach was deemed to be appropriate.[132] Case studies are embedded in context, and utilizing this type of approach would allow other researchers to build on the case of Kimberley.[133]

Case studies provide an opportunity to study a single entity, in this case a community that is bounded by time and set within a historical context, geographically situated in space and place using a variety of collection procedures during a sustained period.[134] The intriguing aspect of this case is the way in which business, government, and particularly community actors made decisions and worked together that were very different from the way in which companies had closed mines in the past. For example community-based organizational actors represented environmental concerns on behalf of citizen interests. Small business owners, managers, municipal government councilors and staff acted on behalf of their individual and organizational economic interests. The result is a complex network of relations that were continually re-negotiated over time.

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[131]   William Foote Whyte, *Participatory Action Research* (California: Sage Publications, 1991), 20.

[132]   E. Babbie, *The Practice of Social Research*, 5th ed. (California: Wadsworth Publishing Co., 1989) R. Yin, *Case Study Research Design and Methods.* Applied Social Research Methods Series, Vol. 5. Newbury Park (California: Sage Publications, 2003). John W. Cresswell, *Research Design: Qualitative & Quantitative Approaches.* (California: Sage Publications, 1994).

[133]   John Pierce, Roseland et al, *Promoting Community Economic Development for Forest Based Communities: Final Report.*, (B.C: Simon Fraser University, 2000): 42.

[134]   Yin, 2003.

3.3   Research Methods

3.3.1 Introduction

The research methodology uses quantitative and qualitative methods. It examined studies, newspaper articles, corporate publications and government documents. The reliability of this data was tested through "corroboration", in that the same set of facts were repeated in a number of different sources. The tendency of 'hermeneutic' research to be overly subjective is balanced by the integration of quantitative data. The utilization of mixed methods was designed to improve the reliability of analysis through several phases of research.[135]

The first phase involved collecting data to establish the parameters of the study and to establish key contacts in the community, government and company. After reviewing the collected information a set of questions were developed to cover the scope of potential research that would need to be conducted. This phase of the research also involved the collection and review of indicator data from Statistics Canada, other reports,[136] to establish a baseline of indicators. It also involved examining indicators developed by the Global Reporting Initiative for the mining industry, indicators developed for the forest industry by Simon Fraser University's Community Economic Development Centre, and other indicator literature.

The second phase involved interviews of key stakeholders based on an established set of questions. The reasoning for combining qualitative and quantitative data was to reduce the amount of bias that may be inherent in the third phase of the work, the individual interviews. This method of triangulation[137] has many benefits including the "convergence of results", the "overlapping of different facets of a phenomenon" allowing the researcher to gain a more balanced and fuller perspective.

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[135] These methods and other references are discussed in depth by Earl Babbie, *The Practice of Social Research*, 5th ed. (California: Wadsworth Publishing Col, 1989), 317-22.

[136] Discussions with Tony Hodge were extremely helpful in understanding the breadth and scope of sustainability indicator research, much of which is derived from previous decades of work. However, in particular Tony Hodge's research for the British Columbia Environmental Assessment Office on the Sustainability of the Proposed Tulsequah Chief Project, May 2001 contributed to understanding on indicators and mining.

This phase of the research also involved comparative analysis of the distinctly qualitative research in terms of interviews with key stakeholders with the quantitative data from sources such as Statistics Canada and BC Statistics.[138]

3.3.2 Case Study Method and Design

Understanding the problems of communities such as Kimberley requires considering multiple factors and their relationship to each other. The case study approach was chosen because it is valuable in understanding problems where there are a number of interrelationships between factors. Case method can involve exploration for three types of features:

> (1) features which are common to all cases in the general group; (2) features which are not common to all cases, but are common to certain subgroups; and (3) features which are unique to a specific case.[139]

The thesis research identifies features that are not common to all community case studies, but are common to certain subgroups such as resource dependent communities. Secondly the research examines features that are unique to this case study, such as the collaboration between the company, community-based organizations, and municipal government. The case method allows the research to examine the issues and motivations of each of the actors through a series of in-depth interviews.

The design of the Kimberley case study was based on specific objectives:

- To contribute to the community economic development literature through an examination of a practical case study in a mining community. There is significant inquiry into forest-based communities, but the literature on mining communities is limited. And, secondly;
- to further understand the processes and strategies, the "best practices" in terms of CED that allow communities to economically sustain their economies, while addressing social and ecological conditions vital for community resiliency.

[137] Cresswell, 1994: 174/5.

[138] Raw data excerpted from BC Statistics reports as well as Horne, Garry. "British Columbia local area economic dependencies and impact ratios-1996 & 2001", (Victoria, BC: BC Stats, 1999) and Koch, 1996 by permission.

[139] Harper W. Boyd, Ralph Westfall and Stanley F. Stasch, Marketing Research: Text and Cases. Fifth Edition. (Homewood, Illinois, Richard D. Irwin, Inc., 1981), 47.

3.3.3 Case Studies: Implications from other cases

In building the picture of Kimberley's experience, it was important to determine what was not common to all communities, but appeared to be common amongst certain sub groups such as resource dependent communities. Certainly not all communities experience social and economic disruption from restructuring to the same degree as resource dependent communities. A number of other case studies of communities that underwent mine closures around the world were examined for this reason. The analysis was not intended to be a comparative study. In that case studies in New Zealand were useful for identifying factors that were common to rural communities that experienced restructuring. The case studies in Europe were useful for identifying commonalities in terms of restructuring that occurred as result of mine closure. Whereas, in the case of Kellogg, Idaho, there is a high degree of commonality because Kellogg experienced restructuring as a result of mine closure. Each of these cases was useful for building an understanding of what features could be considered common, but also in preparing to identify features which may be unique to Kimberley during the research.

3.3.4 Data Collection Methods: Phase One

Phase one of this study reviewed existing literature, identified research sources, and gathered raw data that could be assembled as indicators of the economic impacts of mine closure. The majority of this data is from Statistics Canada. However some data is from the City of Kimberley, and from research by Agnes Koch. Other indicator data contained within this thesis is from a number of published sources and existing data on assessing the impact of change on human and ecosystem well being, from indicators developed by the Global Reporting Initiative,[140] to indicators developed by Simon Fraser University's Centre for Sustainable Community Development for the forestry sector. The purpose for examining indicator data was to provide potential indicators that could be used by communities and companies to assess change within the community.

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[140] The report by the Global Reporting Initiative: Sustainability Reporting Guidelines on Economic, Environmental, and Social Performance, June 2000 was evaluated to identify gaps in indicator data being applied by corporations such as Teck-Cominco through their corporate reporting.

3.3.5 Data Collection Methods: Phase Two Interviews

Phase two of the research involved preliminary meetings with a variety of citizens and groups active in a number of sectors in the local community. These included citizens that served on a number of boards of directors from the Community Health Council and the East Kootenay Service Society that look after health issues in the area; to those that manage businesses from real estate offices to the local credit union. Other citizens included those that worked in the area as managers of regional institutions, to educators with the school district and on continuing education, to a past president of Steelworkers Union. During this initial research citizens continually suggested that Kimberley had a strong history of volunteerism. It was through grass roots citizens activities, volunteer, social, cultural, and religious organizations and activist groups that citizens from miners, to millrights, managers, and others came together to work on community projects.

The second component of phase two involved interviews with key stakeholders in community groups, a provincial government ministry, regional and head office company managers, municipal staff and political leaders.

Figure 2: *Multiple Perspective Approach: Primary Actors in the Kimberley Case.*

BC Government
Ministry

Community-based
Non-Profit Groups

Kimberley

Company Managers

Municipal Staff
Elected Officials
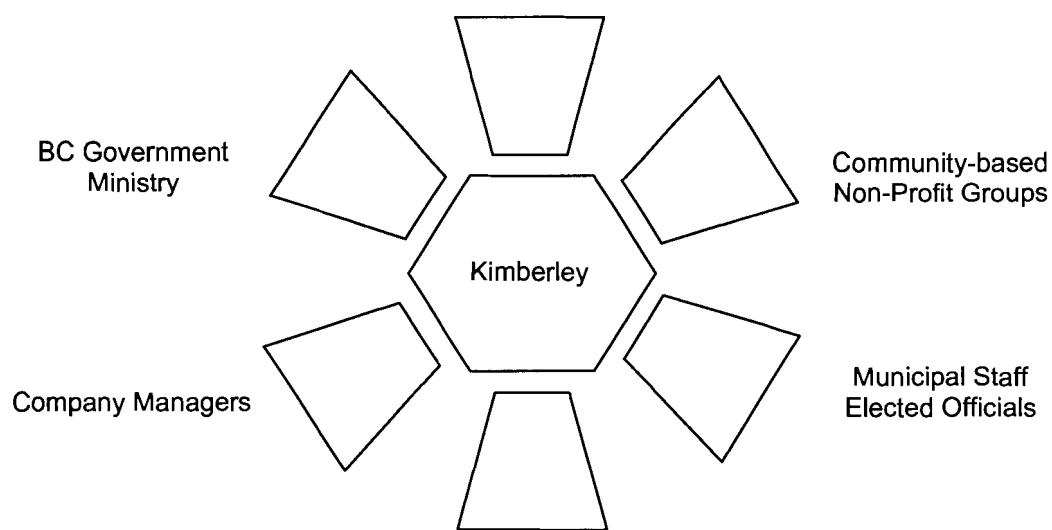
Sour
ce: Researcher, 2004.

The semi-structured interviews were conducted in person in Kimberley, as well as at Teck-Cominco's head office in Vancouver. In contrast to the unstructured interview where an "interviewer has a general plan of inquiry but not a specific set of questions that must be in particular words in a particular order,"[141] the thesis process involved a set of questions around themes that were asked as probes[142] to focus the subjects answers in depth in a particular area without biasing the responses. The goal of the interviews was to gain insight into the role of individual actors and to gain an understanding of what they perceived were the role and perceptions of other participants. The interview questions are contained in Appendix B for reference. In interviewing the various actors involved in the planning process participants representing three corporate managers, one municipal manager and one elected municipal official and four individuals from community-based organizations were interviewed various perspectives and outcomes of the process.[143] Written informed consent was obtained from all participants. Each key informant interview was taped and then later reviewed with key information transferred to an electronic file. The interviews provided context and insights into the research from other sources such as newspapers, corporate and municipal reports, magazines, government documents, and other historical documents. In reviewing the interview tapes information was extracted based on previous knowledge gained through the research process. This allowed for similarities and dissimilarities to be identified, but also patterns in the description of events that indicated a behavioural norm.[144]

3.4 Limitations and Ethical Considerations

The limitations of this research relate to the way in which the research information is interpreted. There are a number of dangers in conducting research of this type. Firstly, the researcher may only pay attention to information that supports the thesis, or a lack of awareness may undermine the ability of the researcher to identify hidden messages or to identify revisionist interpretations of events. In other situations the researcher may overly identify with the subjects and bias the research and

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[141] Babbie, 1989: 270.

[142] Ibid, 272.

[143] Ibid, 268.

interpretation by applying their own thoughts and feelings to the findings.[145] However, all of these limitations are negated to a degree by the insightfulness and the experience of the researcher in conducting and analysing interviews.

However, it should be noted that a limitation exists in terms of the time period of the interviews. These interviews were conducted in 2003, whereas most of the activities and projects discussed were undertaken from the late 1980s to 2001. Over time events are subjected to interpretation and editing through the memory process. The researcher recognized this limitation. The historical research including the ethnographic data collected by Agnes Koch in the summers of 1990, 1991, and 1992 was used as a reference to understand community response at the time of crisis. It was also used to corroborate many of the facts referenced in the interviews and in some cases provides insights into social dynamics that were not recorded in official documents.

3.5   Summary

In summary geographic, historical and business research are no more immune to ethical dilemmas than other disciplines. There are tensions that exist between researching processes, respecting peoples' rights, and maintaining academically sound procedures. In terms of ethical issues raised by this research, the nature of the research was not considered controversial and was in general supported and welcomed by all the participants. Informed consent was obtained from all those interviewed and while confidentiality was provided, it was not requested by the participants. In several cases interview participants suggested to convey their perspective it would be necessary to provide details that would suggest the position and organization represented. The thesis addresses this by not referencing names of interview participants. Ethical approval from the SFU Ethics Committee was obtained and is contained within Appendix A.

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[144] Ibid, 278.

[145] Ibid, 280.

CHAPTER 4.

Results:

Phase One Indicator Research and Analysis

4.1   Introduction to the use of Indicators

It is argued that historically, industrial and economic development has not taken into account the full economic and social costs of policies, decisions, and actions. As well that these have not been factored into the total costs of a product, process, or activity. This process is beginning to change through initiatives including life cycle assessment and integrated resource planning. These initiatives have included discussions on indicators as a type of signal that attempts to measure impacts or outcomes.

Since the late 1940s there has been an extensive literature that has attempted to develop indicators beginning with the system of national accounts, to economic indicators (1950s), social indicators (1960s), quality of life indicators (1960 to present), environment and natural resource indicators (1970 to present), and healthy community indicators (1980 to present).[146] The use of indicators have become increasingly important as companies report on activities through annual and environmental reports, as well as submissions to reporting mechanisms that measure social and ethical accountability such as the Global Reporting Initiative. In their most basic form indicators group data into categories to answer questions. For example, in terms of sustainable products, services and activities these can be grouped into economic, environmental, and social categories that measure progress towards sustainability.[147] They will continue

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[146]   Tony Hodge has conducted extensive interdisciplinary research on the history of indicator development to identify a new conceptual framework for dealing with sustainability issues. See Tony Hodge, "Toward A Conceptual Framework of Assessing Progress Toward Sustainability," *Social Indicators Research* 40 (1997): 5-98.

[147]   Natural Resources Canada has developed an extensive compendium of indicators for review by the mining industry in draft as of January 24, 2003, see Appendix C.

to emerge as a decision-making and management tool for business to evaluate and improve corporate performance, to manage limited resources and environmental issues. Indicator research has also been conducted in CED that evaluates community capacity and assesses and monitors progress towards sustainable communities.[148] Indicators are just some of the tools that communities can use to measure how they are doing in relation to their goals, whether that is to decrease dependency in local communities, or to repair ecosystems suffering from environmental degradation.[149]

4.2 Indicator Framework

There are a number of conceptual models that have and continue to inform the development of sustainability indicators.[150] These models provide perspective in the development of new indicators that assess the state or performance of parts of the system.

> Conceptual models provide a mechanism against which the real world can be set to facilitate learning. This comparison often leads to constructive tension, debate and hopefully to the accommodation of different interests and values. The sought after results is improved decision-making. However, the models themselves should not be thought of as truly capturing the real world, the complexity of which is beyond current knowledge. To do so can lead to entrenchment of current perceptions along with their limitations.[151]

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[148] The University of Victoria, Willipa Bay Alliance, Sustainable Seattle, Federation of Canadian Municipalities, First Nations Development Institute, Sierra Business Council, Canadian Association of Single Industry Towns, and the Aspen Institute have all conducted research on indicators of sustainable community development in Markey et al, 2005: 143-4.

[149] Smith, 2002 discuss the importance of indicators for non-expert decision making.

[150] Work by Walter Firey, *Man, Mind and Land – A Theory of Resource Use.* (Glencoe, Illinois: The Free Press, 1960), B. Sadler, Impact Assessment, Development Planning and International Assistance in Post Brundtland Perspective. "Proceedings of the International Workshop on Impact Assessment for International Development." (Vancouver: International Association for Impact Assessment, 1988), 775-787., Tony Dorcey's system of analysis for sustainable development in relation to water management for the Fraser Basin Council, The British Columbia Round Table on the Environment and the Economy (1993:41) model is particularly relevant in this research through the reporting process and the definition of social system and social well being involving equity and provision of social services. Other relevant models include those developed by the Canadian International Development Agency in 1991, and work conducted by Gosselin et al, Canadian Journal of Public Health, (1993 May-June), 197-200.

[151] Tony, Hodge. "Toward A Conceptual Framework for Assessing Progress Toward Sustainability". *Social Indicators Research 40.* Netherlands: Kluwer Academic Publishers (1997): 11.

This thesis utilizes the methodological approach of community economic development (CED) and in doing so it examines indicators utilized in this literature.[152] The practice of CED recognizes that communities have differing levels of knowledge, diversity, and interpret success in different ways. What may constitute success in one community may not be as important in another. Although external experts may have a wealth of knowledge in terms of quantitative data, a greater understanding of the community context is gained from qualitative research that incorporates local knowledge and indicators of community capacity. Many of the factors common to successful community development initiatives are also critical indicators of community sustainability as defined in the literature. These include:

- levels of knowledge in the community;
- skills, education, and leadership abilities of people;
- degree of project commitment;
- civic engagement by informed and involved residents;
- entrepreneurial spirit that puts into practice ideas that foster adaptation;
- health and availability of the labour force;
- capacity to address mutual needs and pursue common interests;
- sense of community, of what makes the community unique;
- effectiveness of community-based organizations to empower people and mobilize individual capacity;
- capacity to enhance participation, planning and cooperation;
- health of local economy;
- capacity to foster economic diversity and to increase local control;
- access to capital;
- ecological health and diversity; ecosystem health; ecosystem amenities; community environmental awareness and responsibility (stewardship);
- community location and infrastructure investments that foster development;
- cultural- and service-based amenities.[153]

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[152] The principles of CED have driven the development of indicators, see Sean Markey and Kelly Vodden, *"Success Factors In Community Economic Development: Indicators of Community Capacity."* (Vancouver: Simon Fraser University, Community Economic Development Centre, 2000).

[153] The complexity of CED is exemplified in the number of conditions that contribute to success. These factors and related indicators are from Markey et al, 2005: 138-169 by permission.

In the thesis research process, a number of indicators were gathered from primary data available from government sources and secondary data. An in-depth inventory of community capacity and success factors was not conducted as part of the research. The objective was not to develop a comprehensive indicator framework, but to use indicators identified in the literature to support the thesis propositions. These included that Kimberley historically was resource dependent, that one company was a historic employer, and that restructuring had reduced employment. The indicators also demonstrate that change was occurring in the community in terms of labour diversity, population, building permits, and business licences. Finally the indicators provide a snapshot of how the community is doing in terms of a number of socio-economic indicators and dependency ratios.

4.3   Indicator Categories

The community economic development and geography literature documents changing socio-economic, political and ecological conditions within resource dependent communities. This literature tends to group indicators into categories based on the human, social, economic, and environmental/ecological factors.   In each category different aspects or types of information can be captured in relation to a particular indicator such as social indicators of health and well-being, community (services), knowledge (training and education) and governance. Economic indicators for the local economy and wealth creation and environment or ecological indicators for water, materials, air, energy, land.

Indicators can also bridge more than one category and are classified as socio-economic measuring social-economic impacts, eco-efficiency measuring economic-environmental impacts, or diversity indicator that measures a composite of economic-social-environmental impact. The challenge with these types of indicators is that they are subject to interpretation making it difficult to verify conclusions.

4.4 Indicators and Analysis

Researchers interested in the economic impact of restructuring examine a variety of information primarily census data, but this can also include, but is not limited to Tourism BC visitor studies, and Canada Revenue Agency tax statistics. This data can be used in a number of ways including projecting income dependencies, employment ratios, non-basic income ratios, and diversity indices. The methodology commonly utilized in the development of these types of indicators is the economic base method. "Its fundamental premise is that the economy of a community can be represented by income flows which can be classified as basic or non basic, depending on where income comes from."[154] In analysing income flows from outside the community (basic) and income that is generated by goods and services they sell to other individuals within the community (non basic) researchers attempt to understand the impact of many changes such as decreases in mining activity, but increases in tourism activity. Mining is a well-defined industry and income dependency analysis is calculated as the percent of total basic income derived from the sector. Tourism in contrast is not a well-defined industry and presents some challenges in terms of the economic base method. This is because tourism dollars flow from outside the community but are analysed in terms of the impact on the community.[155] Another challenge for communities is that many success factors exist but have not been measured. A community may have many volunteers but does not count them over a period of time. The case study method is helpful because it can demonstrate the existence and importance of factors such as leadership abilities, entrepreneurial spirit, the effectiveness of community-based organizations, and the local capacity to enhance participation, planning and cooperation that have not been captured as indicators. Table 1 outlines some of the potential indicators that could be used as measures. Appendix C provides other examples of indicators applicable to the mining industry and communities.

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[154] Horne, Garry. "British Columbia local area economic dependencies and impact ratios-1996", (Victoria, BC: BC Stats, 1999): 6.

[155] A detailed discussion of the economic base model can be found in Horne, 1999 and 2001.

Table 1: **Types of Social, Economic, Ecological and Human Resource Indicators**

Category	Aspect Examples	Indicator Examples
Economic Factors	Diversification	Growth or decline in sectors; Employment by sector; Income by sector; Business licence increases/decreases/types
	Economic Health	Business closures, Employment – Unemployment; Income, Social Assistance levels; Building permits, investment growth/decline, local businesses; Cross cutting socio-economic indicators that measure local conditions in relation to regional (B.C) totals
	Location / infrastructure	Proximity to urban or larger centre; Transportation networks, Communication networks; Catchment area population; Quality of local infrastructure & Investments
	Service Amenities	Cultural programs and services; Educational facilities, Health care facilities; Recreational programs and services; Community festivals, Arts programs and events; Range of retail and service businesses
Social Factors	Sense of Community	Crime rates, poverty levels; Community events, celebrations, fundraising
	Community-based Organizations	% Youth graduation, Years of Education of Workforce; Number of Community organizations; Range of focus: social, ecological, economic, cultural; Provision of local services; Management and proposal writing capability; Clear Mandate
	Community Participation, Planning, Cooperation	Community & group involvement in decision-making; Broad-based participation Initiatives; Information sharing – newsletters; Volunteer programs; Monitoring processes for development activities; Corporate responsiveness to community concerns; Land use planning processes; Local involvement in resource management; Coalitions and Partnerships
Human Resource Factors	Education & Training	Education levels, literacy rates, access to educational facilities, participation in programs, computer ownership, internet accounts, library usage
	Skills	Individual and community skills, experiences, education
	Leadership	Coordination, management and organizational skills, ability to innovate, motivate, facilitate, network, accountable, process transparency, risk taking, open to change,
	Civic Engagement	Voter participation, trust, community-based organization membership, stewardship, newspaper readership, volunteerism,
	Entrepreneurial Spirit	New business start ups, local examples of entrepreneurs, training
	Labour Force	Labour force participation, demographics, social assistance levels
Ecological Factors	Stewardship	Transportation, recycling, composting programs, pollution prevention/clean up, energy conservation, habitat and species restoration, local involvement in resource management
	Ecological amenities	Distinct or unique natural features, scenic beauty; Integrity and health of surrounding ecosystem; Recreational linkages, clean air, water, level of outdoor/ecologically related tourism

Source: Some categories based on BC Statistics Census data; others are based on Markey et al: 2005, Appendix A 1, A2, A3 by permission. The latter source provides a more extensive list of measures indicators and data sources for potential indicators.

4.5   Implications of Other Cases for Indicator Analysis

In researching how other communities responded to economic restructuring it is evident that while not common to all cases, planning is pivotal. The community of Kellogg, in the Coeur d'Alene mining district of Idaho has some interesting parallels with Kimberley.[156] The miners of the Coeur d'Arlene were the original founders of the Sullivan Mine, which also mined silver, lead and zinc ores. The community of Kellogg, dependent on mining for the past 100 years, grew much like Kimberley, a company town that serviced the developing mine. In Kellogg, despite a consultant's report to the company in 1955 to separate company and community operations, the company continued to provide many community services and was the major employer until the mine closure in 1982. In contrast Kimberley began to assume the delivery of community services from Teck-Cominco over a long period of time, beginning with the City's incorporation in 1944, and proceeding through a series of economic diversification efforts such as the "Bavarianization" of the community in the early 1970s. It may well be that the community of Kimberley learned a valuable lesson from the Kellogg experience. However this does not seem likely, since the case of Kellogg was never referred to in interviews, archival documents, corporate or municipal publications.

In Kellogg, closure caused the immediate unemployment of 2,000 people who had worked at the Bunker Hill Mining and Smelter Co. The out-migration that resulted in population decline was caused by unemployment, declining incomes and house values. In terms of the literature these could be considered features of resource dependent communities undergoing restructuring. However, interestingly, this was not the case in Kimberly. In that by the time the mine closure occurred the number of workers dependent on the mine was substantially lower. Yet, population and workplace indicators in Table 2 demonstrate that while Teck-Cominco's labour force in terms of numbers of individuals employed and as a percentage of the overall labour force continued to shrink after 1981, the total labour force expanded between 1991 and 1996.

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[156]   Harley Johansen. "Mining to tourism: Economic restructuring in Kellogg, Idaho, USA" in *Local Economic Development: A Geographical Comparison of Rural Community Restructuring*, ed. C Neil and M Tykkylainen, (Tokyo: United Nations Press, 1998): 251-268.

Table 2:   **Proportion of Total Labour Force Employed by Teck-Cominco, 1951-1996**

Year	Total Labour Force	Teck-Cominco Labour Force	% Labour Force
1951	2183	1934	89
1961	2418	1450	60
1971	3760	1004	27
1976	3755	1166	31
1981	3315	1347	41
1991	2550	700	27
1996	3325	450	14

Source: Koch, 1996 by permission, Statistics Canada, 1996.

Table 3 demonstrates that after 1991 Kimberley's population began to expand. Yet, interestingly there appeared to be more people entering the labour force, than could be accounted for in terms of in-migration. These numbers suggest that while some new people who had moved to the community found jobs, it could be assumed that 313 people in the community entered the labour force, but not with Teck Cominco. It could be assumed that some of the 250 individuals who were laid off by Cominco between 1991 and 1996 found other employment in the community.

Table 3:   **Comparison of Teck-Cominco Workforce to Total Population of Kimberley, 1951-1996**

Year	Kimberley Population	Teck-Cominco Workforce	As % of Population
1951	7328	1934	26
1961	7719	1450	19
1971	7641	1004	13
1976	7110	1166	16
1981	7375	1347	11
1991	6535	700	11
1996	6997	450	.06

Source: Koch, 1996 by permission, Statistics Canada, 1996.

In the case of Kellogg, economic indicators demonstrated real decline in wages, employment, and population. In Kimberley economic data suggests that the population growth and the expansion in the labour forces was occurring because of diversification in the labour force.

Table 4:   *Labour Force by Industry*

Industry	1961	1971	1986	1991	1996
Primary *	764	1085	735	680	585
Manufacturing	428	635	375	165	230
Construction	88	195	90	85	230
Transportation	61	180	110	110	125
Trade	240	440	425	385	435
Finance	40	115	110	80	
Government Services	84	510	145	230	150
Other Services	358	335	985	1230	1435

* Primary industry in this region predominantly mining related activities, some forestry. Other Services includes real estate and insurance agents, business, educational, health and social, accommodation, food, beverage etc.

Source: Statistics Canada 1996.

One of the challenges the community of Kellogg had to address was that the area was declared a "superfund" site by the United States Environmental Protection Agency. Although this designation resulted in the area undergoing a major environmental clean up, it also made it difficult for the community to undertake tourism development because of the images associated with environmental disasters that require "superfund" designation. The significance of the Kellogg case is that once it focused on tourism and adopted planning strategies that included building tourism infrastructure the community was able to reverse its decline. Kellogg's real estate market was severely depressed and tourists from Spokane and Seattle saw an opportunity to invest in recreational property. The houses of former miners and smelter employers were purchased for weekend ski lodging and summer recreation properties. The strengthened real estate market also resulted in new building permits being issues with a growth in new homes in Kellogg from 158 in 1992 to 216 in 1993. In this way Kellogg was similar to Kimberley. However, it demonstrates that by beginning planning earlier, before closure, Kimberley was able to avoid the massive unemployment, dislocation, and ten years of adjustment that occurred in Kellogg.

4.6   Socio-economic Indicator Analysis

The socio-economic indicators of Kimberley, provides insight into the relative success and challenges being experienced by the community. These indices add depth to the economic picture. The populace of Kimberley shrank from 1995 to 2001 by 0.3%, however in 2002 the population grew 1.7%. This indicator was compared with other data to further understanding of how the community is doing. Table 6 provides data on the community Kimberely in terms of BC Statistics analysis of seventy-eight local health areas in British Columbia. The higher the rating the better the area is fairing in terms of socio-economic factors. For example, in ranking how all areas were doing in terms of an overall socio-economic index, Kimberley with a ranking of 78 is the fourth best region in the province.

Table 5:   Socio-economic Index: Kimberley

Index	Rating
Overall socio-economic index	75 of 78
Economic hardship	75 of 78
Education	76 of 78
Youth at Risk	77 of 78
Health Concerns	62 of 78
Income Assistance	73 of 78
Youth Graduates 2000/02	78 of 78

Source: BC Statistics Local Health Area 3, Kimberley 2002.

These indices mean that a low number of residents receive income assistance through BC benefits, most residents are not experiencing economic hardship, and for example all students in high school graduated in the 2000 to 2002 term. Kimberley has a lower rating than other regions in the province primarily due to a higher incidence of potential years of life lost due to suicide or homicide 5.3 versus the B.C average of 4.6 per 1,000 population in the years 1997 to 2001. Kimberley also has higher per capita alcohol sales 73 litres consumed versus the B.C average of 58. However, this is quite likely overstated due to tourist consumption, because the rating is based on sales per resident nineteen years and older. Yet, tourists visiting the community buying alcohol would be included in the resident calculation. In general Kimberley is an affordable place to live in that only

10.4 % of households pay more than 30% of their household income on housing costs compared to 30.5 %in Vancouver.[157] This is not because wages are higher. The 1996 census data indicates that the average family income in Kimberley in 1995 was $52,574 versus the B.C average of $56,527. In terms of income levels then it's ranking out of 78 local health areas is 54. Other indices such as crime rates including serious crime and property, rate Kimberley at 8.7 well below the B.C average of 16.2 for 1999-2001. Although interesting juvenile serious crime ages 12 -17 is higher 10.9 for Kimberley versus the 7.3 for the B.C average, based on per 100,000 population from 1999-2001. Yet, at the same time Kimberely has the highest graduation rate in the province. In that in 2000-2002 the percent of 18 year olds that did not graduate was 0.0 versus the BC average of 26.2, rating Kimberley as the best region in the province in terms of high school graduation ratings. As well teen pregnancies ages 15-17 were significantly lower at 13.0 than the B.C average of 23.9 from 1998-2000. The general health and physical health indicators for Kimberley residents are below the provincial average. Yet, mental health indicators are higher. In that the potential years of life lost due to suicide or homicide for 1997-2001 was 5.3 in Kimberley versus 4.6 for the B.C average per 1,000 population. Spousal assault is lower at 2.0 than the BC average of 2.5 per 1,000 population. Yet, deaths of 15-24 year olds from motor vehicle accidents is high in Kimberley at 12.8 versus 1.8 B.C average per 10,000 population. It is difficult to ascertain the cause of these anomalies in the indicators. In general terms Kimberley is doing well. It was beyond the scope of this research to examine health and youth issues. Other researchers may want to examine the relation between health, the state of youth and community development.

4.7   Social and Economic Indicators

The diversified tourism resort strategy pursued by the City of Kimberley's Economic Development Office has proven to be quite successful in stimulating the economy in the short term by creating jobs in construction and fostering new business investment and development. This is demonstrated by rising labour force participation rates that indicate individuals are working despite declining mining employment as

[157]   BC Statistics 1996, (cited by Oct 28, 2003), electronic copy: www.leconhou.pdf.

outlined in the table that provides a comparison of Teck-Cominco workforce to total population of Kimberley, 1951-1996.

Table 6: **Labour Force Indicator**

CATEGORY: Social Capacity Year	ASPECT: Labour Force Indicator Total Labour Force Participation
1996	3320
1991	3060
1986	3065
1981	3315
1976	3755
1971	3760

Source: Statistics Canada 1996.

There has been an increase in the number of small businesses operating in the community, which is indicated by the growth in new business license application. The larger number of business licenses that occurred in 2000 are due to the completion in 1999 of the Marriott Hotel's Trickle Creek Residence Inn, which included a restaurant and retail component. The Inn, restaurant and retail stores all hired new employees, although many of these new jobs were seasonal. The fluctuation in business licences is not a strong indicator of sustained growth and thus other indicators need to be examined.

Table 7: **Diversification Indicator in New Business Growth**

CATEGORY: Economic Capacity Year	ASPECT: Diversification Indicator # Business Licenses
1998	49
1999	76
2000	91
2001	52
2002	51

Source: City of Kimberley, Economic Development Office, 2002.

In Kimberley an analysis of building permits reveals a growth in total building permits, but in terms of residential and non-residential combined. In 2001 a total of 78

building permits were issued of which 10 were for single-family homes. In 2002 a total of 127 building permits were issues of which 13 were for single-family homes. In addition to the number of building permits, the value of building permits provides an important measure of Kimberley's economic activity and attractiveness to investors. In regional British Columbia, the value of real per capita non-residential building permits was steady or falling between 1994 and 2003, resulting in the average annual growth in the value of non-residential building permits being negative 1.0%. During the research in Kimberley, municipal staff cited local factors in the fluctuation in number and value of building permits such as the construction of the Marriott Residence in 1999 and the completion of the McKim and Lindsay Park schools in 2002. Yet, it is interesting to note that Kimberley's fluctuations in terms of the value of building permits mirrored regional British Columbia's growth and decline patterns every year from 1994 to 2002.[158] This is significant because it suggests that Kimberley's struggles to diversity and the state of its economy could also be a reflection of the provincial economy.

Table 8: **Building Permits, Kimberley, BC**

Year	# Building Permits	Value of Building Permits
1992	21	1,646,00
1993	17	2,330,000
1994	43	5,580,755
1995	17	6,680,000
1996	29	5,580,755
1997	22	4,501,000
1998	21	7,264,480
1999	32	21,643,000
2000	23	5,919,980
2001	78	10,469,310
2002	127	6,583,618

Source: City of Kimberley, Economic Development Office 2002.

These indicators reflect the complexity and difficulty in assessing economic change and development in British Columbia communities. Anecdotal evidence gathered during the thesis research suggests that many individuals live in Kimberley and

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[158] BC Progress Board, Province of BC, 2004, Performance Indicator 6.

commute to Cranbrook for work, but no data seems to exist that can verify the numbers of individuals or percentage of residents that do this. One indication of the interrelationship of these two communities economies are Statistics Canada income dependency percentages. For example, income dependencies indicate that residents in the Cranbrook-Kimberley area are dependent on forestry and mining almost equally to their dependence on public sector income. This data does not reflect the provincial government restructuring that occurred in 2002, the impact of which has yet to be captured in census data. Yet, despite community assertions that tourism is the future of the community economy, income dependency indicators demonstrate that tourism does not represent a substantial percentage of income in Cranbrook-Kimberley area.

Table 9: **Cranbrook-Kimberley Income Dependencies (%)**

	Forestry	Mining	Fishing & Trap	Agri-culture	Tourism	Public Sector	Con-struction	Other Basic	Transfer Payment	Other Non-employ
1991	13	10	0	1	3	21	-	11	12	22
1996	17	10	0	1	5	25	7	6* 7**	18	10
2001	14	9	0	1	8	25	-	17	18	14

*   In the 1996 report it notes other basic of 6 % yet, in the 2001, other basic is reported at 13.
**   The 2001 report has incorporated construction as part of other basic income dependencies.

Source: BC Statistics, Ministry of Finance and Corporate Relations, BC Local area Economic Dependencies and Impact Ratios 1996, 2001.

Although income dependency on mining declined between 1991 and 2001, it did not do so substantially, despite the reduction in Teck-Cominco employment. This may be because of what is measured, in that mining income dependencies, includes mineral processing, quarries, gravel pits, petroleum extraction and processing. Certainly tourism income has grown, but more importantly is the dependency of the Cranbrook-Kimberley area on the public sector.

The literature suggests that communities such as Kimberley are better off with a diversified economic base that can provide more stability in times of economic crisis or change. This argument has merit as long as the industries that communities are diversifying into are as strong as the one or two industries that they are replacing. In

examining diversity indices B.C Stats notes that a number of industries have dropped slightly between 1991 and 1996 and that these changes are due to methodological considerations.[159] This could also then account for the decline in the mining sector.

In Horne's discussion of tourism he suggests that the sector presents a number of challenges in terms of analysis. He cites examples such as when trying to apply the employment impact ratios to estimate the employment impacts of new resort development or the addition of capacity as a result of increasing demand. In his work for BC Stats he has calculated direct tourism ratios for most areas in the province.[160] The reported direct tourism ratio for Cranbrook - Kimberley is 3.30. Horne utilizes this data to demonstrate that if a hotel is built or adds capacity and hires 10 people then under the assumption that this expansion is the result of increasing demand, the result of which is more tourist days in the Cranbrook - Kimberley area, the results is 3.30 x 10 = 33 additional direct tourism jobs in the area.

A second approach examines the number of direct jobs in tourism to the amount of tourism activity. The BC Visitor Study is used by BC Stats to calculate the number of tourist jobs per tourist day in the Cranbrook - Kimberley area. If the combined direct tourism jobs of 4.39 is combined with the indirect tourism jobs .33 plus induced jobs .62 then the total number of tourism jobs per 10,000 tourist days is 5.34 for the Cranbrook – Kimberley area. BC Stats suggests that is easier to report changes that explain them. However, the data would seem to suggest that the Kimberley – Cranbrook area is not dependent on tourism. In examining the literature a question that is often raised is whether tourism employment is equivalent to resource industry employment. BC Stats assumes that jobs are equivalent to full time employment, until "other information suggests that they are not full time."[161] This statement would seem logical in terms of resource industry employment, but not so for tourism industry employment. The reason is that reports provided by the City of Kimberley Economic Development office state that new jobs related to the development of tourism infrastructure in Kimberley, but not

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[159] Garry Horne, "British Columbia local area economic dependencies and impact ratios-1996", (Victoria, BC: BC Stats, 1999): 41.

[160] Detailed examples of how local area economic dependenices and impact ratios are calculated is contained within Horne, 1999 47-57.

[161] Ibid, 1999: 47.

classified as in tourism, such as construction and service jobs from the "new" major employers, such as Trickle Creek Golf Resort (61 employees) and the Kimberley Community Development Society (25 employees), are seasonal positions.[162] Yet, the BC Stats data reviewed in the thesis research does not seem to make this distinction.

Other indicators suggest that Kimberley has a larger share of retirement income that the provincial average. One hypothesis may be that retired workers are continuing to stay in the community. This was supported anecdotally in the thesis interviews by several individuals who indicated that they had taken early retirement, while other interviewees suggested that many of the "older miners" had stayed in the community. As well, another hypothesis may be that retirees are being attracted from other areas of British Columbia or other provinces.

Table 10: Population Growth Indicator

CATEGORY: Social Capacity Year	ASPECT: Population Growth Kimberley
2002	8,811
2001	8,667
1997	8,964
1992	8,569
1981	7,375
1976	7,110
1971	7,641
1961	7,719

Source: Statistics Canada 2003.

This could be concluded from the population growth indices, as well as anecdotal references to new residents from other provinces during the thesis interviews, and reports in local and regional newspapers that Kimberley's resort development strategy appears to be attracting retirees and second homeowners from Alberta and Saskatchewan.[163] The indicators suggest that Kimberley is more dependent on pension

[162] Kimberley Economic Development Office, *Community Profile of The City of Kimberley* (November 2000), 13.
[163] *Vancouver Sun Newspaper,* November. 16. 2001.

income than the provincial average. Certainly in 1999 Kimberley was still primarily sustained by employment income.

Table 11:   *Source of Income*

CATEGORY: Economic Capacity	ASPECT: Employment	
Source of Total Income by %	Kimberley	BC
Employment	66.3	65.9
Pension	17.0	11.9
Investment	5.2	9.0
Self-Employed	2.7	5.2
Other	5.4	5.2
Tax Exempt	3.5	2.7

Source: Canada Customs and Revenue Agency 1999.

One implication of the strategy to attract retirees is that Kimberley could experience increasing pressure on services from the expanding senior population. Table 12 illustrates that Kimberley is attracting and will continue to attract a greater number of retirees compared to the provincial average.

Table 12:   *Age Structure of Kimberley Population*

CATEGORY: Social Capacity	ASPECT: Age Structure				
Population	2002 Kimberley	2002 Kimberley%	2012 projection	BC 2002	BC 2012
0-17 Years	1,632	18.5	14.5	21.3	17.8
18-24	678	7.7	6.0	9.5	9.0
25-64	4,915	55.8	56.5	55.9	57.9
65+	1,586	18	23.0	13.3	15.2
Total	8,811	100	100	100	100
Dependency Rate as %		28.4%	36.9%	52.9%	49.4%

Source: BC Statistics 2001.

Kimberley residents are drawing higher unemployment benefits than the BC average. This is supported by data that show unemployment benefits are being drawn by more of the younger population than the provincial average. Community interviews also identified concern for a lack of employment for young people and that young people

are being forced to move away to find work. New tourism businesses have created jobs, but statistics still indicate a higher than BC average unemployment.

Table 13:   Employment and Unemployment

	Kimberley	BC
Employment/Pop. Ratio	52.6	60.0
Unemployment Rate	13.1	9.6
Employment Insurance Beneficiaries (Ages)		
19-24	4.7	3.7
25-54	5.6	4.5
55-64	1.5	2.5
19-64	4.7	4.1

Source: BC Statistics 2001.

4.8   Economic Dependency and Diversity

The socio-economic indicators examined tell a somewhat contradictory story. In that while overall Kimberley is rated as the fourth best region in British Columbia in terms of socio-economic indices, all does not appear well in the community. There are pockets of high unemployment and health concerns particularly in terms of mental health. The literature on economic restructuring suggests that these conditions are a result of economic downturns, which can be severe when a community is more dependent on one industry over a long period of time. The contradictory nature of the indices may well be a result of a combination of forces, those created historically from dependency on the resource and the introduction of new economic development strategies that are addressing the consequences of dependency. Horne's detailed analysis of local area dependencies and impact ratios, as well as vulnerability measures and diversity further understanding in terms of how communities are doing.[164]

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[164] For a detailed description of how these ratios are calculated see Horne, 1999: 18-20.

Table 14.   *Percent Income Dependencies: Local Areas After Tax Incomes*

Area	Forestry		Mining		Tourism		PublicSect.		Construction		Other		Transportation		ONEI	
Year	96	01	96	01	96	01	96	01	96	01	96	01	96	01	96	01
Cran/Kimb	17	14	10	9	5	8	25	25	7	6	6	5	18	18	10	14
Cranbrook	15	16	4	5	4	6	25	26	7	6	12	7	19	18	10	14
Kimberley	12	11	25	18	5	9	21	23	4	6	0	1	20	17	12	14

Source: BC Statistics: BC Local Area Economic Dependencies and Impact Rations, 1996 and 2001. (ONEI refers to Other Non-Employment Income)

In examining the income dependency indices for 1996 and 2001 a couple of interesting things are observed. Firstly, the difference between the percentages for the combined Cranbrook – Kimberley area are less than the percentages when the local area percentages are added. For example, in 1996 the combined Cranbrook/Kimberley income percentage in the mining category is 10%, yet Cranbrook has 4% and Kimberley 25%. Table 14 is not the average of the component areas, nor the weighted average. The explanation is that while Kimberley may well have direct basic mining activity, there may also be indirect activities in each community that support mining in the other community. The individual data however points to a higher dependency on mining related activities in Kimberley than Cranbrook. In 2001 Kimberley's dependence on mining income has decreased, yet Cranbrook's has increased slightly. The 2001 data suggests that the region and both of the local areas are increasingly dependent on tourism income. In terms of other income sources there has been slight increases in construction income, public sector, and other non-employment income such as retirement income. In Kimberely, there has been a decrease in dependency on forestry and mining income, while tourism, construction and other non-employment income increased, leading to improved diversity, although it is still low. However, more concerning is the high dependency on the public sector.

To understand how Kimberley is doing an examination of the data on overall dependency in relation to sixty-three other B.C communities is insightful. The implication is that the lower the rating the higher the level of dependency, thus in 1996 Kimberley's economy was more dependent than Cranbrook and as such not as diverse. In 2001 the diversity of the overall Cranbrook – Kimberley area increased, largely due to a several

point increase in Kimberley's diversity index. The conclusion is that Kimberley is becoming more diverse and as a consequence less dependent.

Table 15:   Diversity Index

	1996 Diversity Index	2001 Diversity Index
Cranbrook -Kimberley	73	74
Cranbrook	71	72
Kimberley	69	73

Source: BC Statistics, Horne 1996 2001.[165]

Other indices contribute to a broader understanding of the changes occurring in the community over time. In the 1980s and early 1990s, most indicators examined showed a decline in Kimberley's overall population, total labour force participation, Teck-Cominco labour force, primary industries, manufacturing, construction, transportation, trade, and finance. Foreclosures increased, there was 30% decline in business loan activity, and the appraised value of homes decreased between 30% to 60%, with more layoffs expected from Teck-Cominco, and the company projecting a minimum two month shut down to begin in July 1986.[166] Table 16 demonstrates the number of jobs lost between 1981 and 1986.

Table 16:   Employment Implications Indicator

Description Indicator	1981	1986	# Jobs Lost
Cominco Local 651 Employment	1186	765	421
Cominco Local 8320 Employment	88	48	40
Cominco Local 9672 Employment	158	111	47
City of Kimberley Employment	83	66	17
Fabco Forest Products Employees	37	3	34
Super Valu Foods Employment	18	0	18
BC Telephone Company Employment	9	0	9
BC Hydro Power Employment	9	0	9

Source: Koch, 1996 by permission.

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[165] A detailed analysis of the calculations used by Horne to define diversity indices is contained in Horne, 1999:41. The calculation is explained as the diversity index DI = 100 x SDMAX (the standard deviation of the 11 dependency values for each community) - SD (standard deviation), divided again by SDMAX.

[166] Kimberley Economic Development Commission: Report to Council, March 1986, p.9.

However, in March of 1986 the City of Kimberley Economic Development Office noted that while economic indicators in a number of sectors were declining a limited number of local tourism amenities reported growth in attendance numbers at the end of 1985.

Table 17:   Tourism Amenity Growth in Kimberley

Tourist Visit Description	1979	1981	1983	1985
Cominco Gardens	12,487			25,000
Kimberley Museum	N/A	2,501	3,349	12,000
Bavarian Hut Tourism Centre	N/A	6,912	9,010	8,063
Buses (stopping at Bavarian Hut)	N/A	N/A	39	44

Source: Kimberley Economic Development Commission: Report to City Council, 1986.

It should be noted that many of these local organizations either lack the sophisticated analysis to produce accurate statistics or sometimes numbers are influenced or estimated upwards due to boosteristic motivations. For this reason, a historical analysis must recognize that there may be flexibility in terms of the statistical data represented in Table 17. However, despite this caution it could be asserted that tourism amenity growth was occurring in Kimberley.

In 1991 census data reported despite declines in all sectors, the sector categorized as "other services" which reports on the labour force for real estate, insurance, business, educational, health and social services, accommodation, food and beverage had increased significantly from 985 in 1986 to 1,230 in 1991. Although anecdotal, thesis research interviews with community members involved in education suggested that the number of teachers in the Rocky Mountain School District #6 had not increased substantially since the declines in the 1980s. As well, while not directly reporting on employment the Kimberley Daily Bulletin noted that in 1991 the Kimberley and District Hospital was struggling through tough times, with a "request for a funding increase turned down by the Ministry of Health".[167] It would appear that these increases were concentrated in accommodation, food and beverage.

[167]   *Kimberley Daily Bulletin*, 1991.

4.9   Summary

It can be concluded from the phase one indicator research and analysis that Kimberley's tourism and retirement strategy that invested in infrastructure and amenities was creating an impact. In 1996 the labour force continued to expand to 1,435 exceeding the labour force of primary, manufacturing, transportation and government services combined. This development boom was also exemplified by the statistics for the construction labour force, which almost tripled between 1991 (from 85 employed to 230) and 1996. This was an indication that a process of change and positive response to community restructuring was having an effect in Kimberley, the question was, beyond the statistics what was going? The only way to discover the factors behind the change was to travel to the community and conduct interviews.

CHAPTER 5.

Results: Phase Two Interviews

5.1   Introduction

The research on Kimberley's historical experience and indicators sheds light on the transition and on the processes of change in a community. The second phase of the research was designed to understand not just what had happened and why, but how and who was involved. The interviews clearly demonstrate that change occurred over a period of time. Recognizing that an economic crisis was imminent, the members of the community of Kimberley undertook a long-term process of community planning and capacity building. They instituted a variety of local planning processes that considered environmental, social, and economic imperatives and focused on building the resiliency of the community.[168] This phase of the research examines how municipal and provincial, corporate, and community actors created and tested new opportunities, adapted and changed to maintain opportunities through a process of negotiation[169].

The literature review suggests that the concept of sustainability is complex and subject to many interpretations. In utilizing Bryant's definition of sustainable communities, and linking this to the work of Holling, the concept can be used to describe actions taken locally to address economic, environmental, and social issues.[170] These actions, while taken in some cases independently, are interrelated because they share a mutual interest in contributing to community well-being. The municipal government was primarily interested in economic health and the community-based activist group was interested in environmental health, while the corporation had interests in both. It was

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[168]   Kimberley's Economic Development Officer recognized the value of community development, however, the interview suggested that while he had limited detailed knowledge of CED his actions adhered to many of the principles discussed in the literature.

[169]   Holling, as discussed in the literature review suggested that this process is the definition of sustainable development.

[170]   Bryant 1999 and Holling 2001 are referenced and discussed in the literature review.

through collaboration that the actors came to recognize the interdependency of their interests. As suggested by Pierce, "the environment sustains our economies, and if the health of the environment is threatened, so is the health of our economic system and, by extension, the social health of communities."[171] The Kimberley case outlines the integral contribution of leadership by different actors to community economic development processes. It demonstrates the value of collaboration and shared problem solving to address complex environmental issues. It also reiterates the value of broad community-based participation in specific community economic development projects to sustain the local economy.

During the thesis interviews it became apparent that in each of the community economic development projects and processes actors were also renegotiating economic, social, and environmental relations. The conflict and consensus that occurred during these negotiations required trade offs. The way in which this occurred is outlined in this chapter. However, it is important to define what is meant by consensus in this context. In that consensus is not that everyone agrees, but that a common understanding is reached that allows the group to move forward together. Trust plays a crucial role in this process, because individuals have to be able to move forward, even if they don't agree on all the details. Trust allows the group to keep negotiating and work out the details. Each participant comes to negotiation with a different perspective, interest, and values. Committed environmentalist view the environment much differently than business managers. The response of business to the environment influences the way in which they participate in the process. In other words, are they truly committed to the negotiation and dedicate financial and human resources to the processes or is their commitment superficial. Different businesses and industries respond to issues differently. This response can range from anti-environmentalistic, denying the existence of a problem to viewing the problem as an opportunity to create new products, services, and ideas.[172] The difference in perspectives can result in conflict unless actors can negotiate consensus.

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[171] Pierce, *BC Studies Conference*, 1999.

[172] For a more indepth review of these perspectives see Wexler, 2000: 253-283.

Teck-Cominco was the common participant in different Kimberley initiatives. Their participation was a result of a shift in the way the company responded to community concerns. Teck-Cominco managers recognized that a new way of doing business was needed and responded by developing economic strategies with the Economic Development Office and ecological strategies with the community-based activist group. The recognition of the companies role in the community is not an attempt to idealize the company, nor dispute past mining practices that historically caused environmental degradation. It is to acknowledge that the strategies developed in the community would not have had the same result without the participation of the company.

CED researchers identify specific strategies and "success" factors that are integral to diversification and development projects.[173] These projects "identify, enhance, and mobilized the human potential, economic opportunities, social relationships, and ecological resources found in a community for the purpose of improved community resiliency".[174] This capacity often resides in communities in volunteer organizations. In Kimberley, the company encouraged volunteerism. It supported staff that wanted to volunteer their services through the provision of materials and human resources for community projects such as the building of recreational infrastructure from the ski hill to Cominco Gardens. It could be argued that these investments were made strategically to build labour support for the company, or perhaps involved self-exploitation. Certainly some could interpret these actions in that way. Yet, the thesis research interviews did not uncover this perspective. Those interviewed suggested that these projects developed the leadership skills, project management experience, and confidence of community members. When the economic crisis occurred, the community was able to draw on this experience and capacity to develop strategies. Volunteer groups provided support to citizens in areas as diverse as health, education, training, arts and culture, and skill development. In enhancing and mobilizing this capacity, volunteer groups extended the service they provided for residents to tourists as discussed in this case. The value of these historical volunteer experiences to community resiliency is evident in this quote from a community document. "The people of Kimberley have learned from the

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[173] Lamontagne in Galway and Hudson, 1994: 208-222 and in Markey et al, 2005:1245.
[174] Markey et al, 2005: 141 suggest that this is also the definition of community capacity.

experience of past accomplishments that if community goals are set they can be achieved through organization and cooperation."[175]

An intriguing aspect of the thesis interview process was the way in which actors viewed the positions and perspectives of other actors. Interview subjects suggested that "some people are reasonable, you will never convince everyone, some times you get extreme people in interest groups, but they are in the company too."[176] It could be argued that the extreme position in business is the anti-environmental view, whereas from an environmental perspective the extreme view is at the opposite end of the sustainable development continuum and vested in the radical environmental perspective.[177] In the Kimberley case community-based organizations perceived company actors as reluctant participants.

> My take on it is that this company likes to present a solution and have you accept it and say good on you boys. The psychology of these guys is that they don't like to be embarrassed. They don't like not to have the answer. It was all very seemingly collegial, that everyone at table was coming to some sort of consensus, but if you step back I'm sure the company was going damn, I sure would have liked to just stop there. But things did move forward.[178]

The perspective articulated by this community-based activist groups suggests that they perceive that the company is moving along a continuum as discussed in the corporate citizenship literature. This ranges from the historic minimalist or self-interested view of corporate social responsibility to one that encompasses a social contract or stakeholder management model.

5.2   The Role of Municipal Actors

Council members and staff had a direct role in negotiating the community economic development processes and strategies examined in this thesis. Yet, some of the processes were initiated before those interviewed got involved. This was the case

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[175]   City of Kimberley, *Kimberley Economic Strategy Report*, 1985: 12.
[176]   Thesis interview, company executive, 2003.
[177]   Wexler, 2000:276.
[178]   Thesis interview, community based activist group actor, 2003.

with the revitalization of Kimberley's downtown through a Bavarian theme. Many resource-based communities, small towns and urban areas attempted to attract visitors through similar revitalization efforts. In Kimberley, the Bavarianization process was driven by downtown merchants. It received a significant boost of support when Jim Ogilvie, Mayoral candidate made it a campaign issue by stating, "The city must make a decision on the Bavarian and Alpine theme and also decide on their position on the present tax structure within the city's boundaries."[179] Ogilvie focused the community on key economic issues and linked them to the revitalization of the downtown core through a Bavarian inspired façade theme. This strategy also supported the interests of downtown merchants that wanted to attract more residential and tourism spending. In 1973 Ogilvie won a decisive victory in the civic elections and the platzl revitalization was completed. Yet, it was not until the early 1980s that the municipal government began to play an increasingly active role in economic diversification efforts.

During 1983 and 1984 Kimberley's Economic Development Commission conducted an analysis of Kimberley's economy and concluded that it was in decline. It recommended that the City Council endorse two goals that were pretty general. These goals were not unique, in that most small town communities in Canada wanted "to stabilize or increase (Kimberley's) population by attracting new employment opportunities and maintaining existing industry" and "to maintain and/or improve the standard or quality of living in the community."[180] In March and April 1985 a series of public meetings were held to develop community awareness of the economic conditions and to build consensus for an economic development strategy and the creation of an economic development office. A series of discussions and questionnaires were distributed at what were described in council reports as "well attended meetings". The City Council reported that community had suggested that it take "whatever steps necessary to maintain the standard and quality of life presently enjoyed by the community".[181] The result was that Kimberley City Council endorsed a number of recommendations including the initiation of a community economic development strategy, the establishment of an economic development office, and the establishment of

[179] Kimberley Daily Bulletin, Year In Review, 1973.
[180] City of Kimberley, Community Economic Development Department: Annual Report, History, 1995: 2.

"an accord with community partners including Cominco, ski resort, labour unions and private business and all interested citizens to co-operate in a mutually beneficial course of action."[182] The latter recommendation was not a common strategy pursued by communities. Yet, it was perceived that this partnership was necessary if Kimberley was to strengthen and diversify the economic base and contribute to community strength and resiliency.

5.2.1 The Economic Development Office Era

In the summer of 1985 the Economic Development Commission completed an overall community economic development strategy, which was endorsed by Council. As well, a full time economic development office with a part time secretarial assistant was established. In working towards developing an "accord" with senior government and industry a number of meetings were held in Kimberley, Vancouver, and Ottawa. These were attended by the Mayor, Aldermen, Economic Development Commission members, Cominco managers, and senior government representatives. As well members of Council, the Economic Development Commission, Cominco managers, and representatives met with representatives of the ski resort, they "consulted with labour unions, and received delegations from private business. The Economic Development Office has advertised requests for input from the community".[183]

The Economic Development Office adapted strategic planning, that is a business management approach to its community development efforts.[184] In that they set out first to establish clear objectives, then they built community awareness through presentations and advertising that encouraged participation. In initiating this process one of the first steps undertaken by the Kimberley Economic Development Office was to recommend the development of an umbrella or master sector-based strategy to pursue several different opportunities. This strategy was used to guide decisions as to whom should be involved and how will the process be managed. For example, one strategy was to

[181] Kimberley Economic Development Commission: Report to City Council, March 1986.
[182] Ibid, p.2.
[183] Kimberely Economic Development Commission: Report to City Council, March 1986.
[184] Markey et alL 2005:124 discuss the difference between strategic planning and development planning as one of scope that includes objectives to improve community well-being.

explore new or enhanced industrial opportunities. An industrial opportunities committee was established to research possibilities in terms of what is known in terms of the challenges and opportunities for attracting and enhancing industry in Kimberley. The limitation faced by the committee was that it had no development funds and thus was severely limited in terms of its ability to implement. However, it was able to utilize an Industrial Lands Profile developed by City engineers, and work with the Department of Municipal Affairs to develop an industrial brochure. Finally, the Economic Development Commission also applied for Community Futures funding.

The industrial strategy also provided the opportunity for the Economic Development Office to initiate the recommendations of the Commission for the "Liaison Committee to meet with senior Teck-Cominco representatives to seek counsel and assistance in the Kimberley economic program."[185] The Economic Development Office and the Commission recognized that for any of the strategies to be successful would require the "fostering of relationships", as well as support from Teck-Cominco's head office in Vancouver. Cominco was approached and company executives agreed to help. Certainly it can be argued that company did so, because they wanted to be a good corporate citizen, but also because they recognized that it was in the company's interest to do so. Cominco still owned significant land and buildings and the closure of the Sullivan Mine would not eliminate the companies tax burden.

The Economic Development Office and Teck-Cominco collaborated to pursue an industrial development strategy that focused on attracting other industries to the former Teck-Cominco operations fertilizer plant site. The area was approximately 186 acres of stable gravel till, with abundant low cost power and natural gas. Economic development staff worked collaboratively with company executives to develop proposals and conduct presentations. Although companies as diverse as a primary producer of ceramics, a magnesite processing firm, a liquid air producer, a snack food company, a major plate glass manufacturer, and a metering equipment manufacturer all expressed interest, no industrial companies were interested in relocating to Kimberley. In analyzing the barriers to industrial development the Economic Development Office identified the major

[185]   City of Kimberley, Kimberley Economic Development Commission, Economic Strategy Report, 1985.

constraint was the proximity of Kimberley to the province of Alberta. Kimberley could not compete with Alberta communities that offered lower taxation rates and better incentive packages. Specifically the Economic Development Office's research indicated that companies that locate in Alberta did so to "avoid sales tax, value added taxes and are subject to less corporate tax." The "transportation costs are less in Alberta, and municipal industrial tax rates are less in most if not all Alberta communities."[186]

However, where Kimberley lacked competitive advantage for industrial development, it had enormous potential for tourism. Kimberley's Economic Development Office worked with the Economic Development Commission to enhance existing visitor industry programs, to conduct planning in terms of integrated and coordinated special events, and to develop an integrated co-operative marketing program. Tourism initiatives to date were linked to specific amenities and were primarily driven by volunteer efforts. The Economic Development Office recognized that focused planning that identified the community assets, vision, goals, and strategic options could leverage specific projects. The Economic Development Office supported the work of champions that chaired the different committees including the special events committee and the co-operative marketing committee that coordinates the activities of accommodators, ski hill, merchants, the Bavarian Society, and other non-profit member groups. These committees were focused on the vision promoted by the Economic Development Office that a more prosperous future for the community involved the development of a retirement community and a four-season resort.

The Economic Development Office recognized that to accomplish this vision required the development of human resources, physical infrastructure and recreational amenities. It also recognized that to sustain a prolonged community economic development process required a series of "short-term wins".[187] As well, the Economic Development Office recognized that financial constraints meant that to undertake sectoral development required the creation of local mechanisms to finance community

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[186] City of Kimberley, Economic Development Office. Briefing Notes: Cabinet Committee on Regional Diversification, Kimberley: Cornerstone of the East Kootenay Economy. December 6, 1988: 6.

[187] John Kotter, "Leading Change: Why Transformation Efforts Fail". *Harvard Business Review*, Vol 73, (Mar/Apr 1995): 59-68 outlines the series of steps that are necessary for change to occur and planning for short term wins is one of the steps.

development.[188] The way in which it approach community economic development was unique, because it was entrepreneurial and collaborative. The Economic Development Office began with one community project. Once completed or operating successfully it integrated the lessons into the next project. In this way it "consolidated improvements" and use the increased credibility and capacity to undertake further projects. This strategy ensured that citizens and community-based groups maintained enthusiasm for the process. In the 1980s and early 1990s when the Economic Development Office began planning community economic development strategies the CED process and literature was not well developed. The Economic Development Office, led by a forward thinking Director of Economic Development engaged in risk taking through the development of entrepreneurial projects. The collaboration of community-based groups, municipal councilors and economic development staff, along with company managers represented a new era in economic and social relations. In this way the community of Kimberley through the leadership of the Economic Development Office was able to enhance connections and communications internally and externally that allow ed the community to create and test economic opportunity.[189]

5.2.2 Fostering Tourism Amenity Investment

Kimberley had a fledging tourism industry. However it was the previous investments in the early 1980s that contributed to Kimberley's expanding infrastructure and helped to grow the tourism economy. In 1981 Kimberley received funding through The Tourism Industry Development Subsidiary Agreement (TIDSA). This was a federal provincial agreement to construct several projects to assist in developing the tourism industry in Kimberley. The case of Kimberley demonstrates that government funding for infrastructure is extremely important in "jump starting" development. It does not take the place of community efforts, which are needed to realize and sustain community economic development efforts. In Kimberley, the projects funded by the TIDSA included the development of the back nine of the Kimberley Golf Club, the development of Gerry Sorrenson Way the road that leads up to the ski hill, the North Star Centre, the Alpine

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[188] Markey et al: 2005: 221-2 provide an expanded list of strategies and CED initiatives.

[189] This discussion applies the eight reasons why transformation efforts fail to demonstrate their application to the community and why municipal strategies contributed to sustaining opportunity. Kotter, 1995.

Slide, the Tennis and Racquet Courts, and the Kootenay House, all of which were at the ski hill. The TIDSA Committee was chaired by an individual that would later become the Economic Development Officer and then subsequently the Director of Economic Development. A different community-based club comprised of citizens sponsored each of the projects. The clubs were comprised of volunteers that had a strong core group that pushed the interests of "their" project. These interests were related to the contribution the club made to Kimberley's sense of community, but also the value of the ecological amenity to residents. In most cases the clubs would make a contribution to the project, which represented about 10% of the total capital costs, and in other cases such as with Gerry Sorenson Road the City Council would make a contribution. Other tourism amenities such as the former Cominco Gardens existed already or were developed concurrently by non-profit clubs such as the Nordic ski trails by the Nordic Ski Club, and the wildlife sanctum, which would later become the Nature Park, by the Nature Park Society. The Economic Development Office leveraged the investments in these projects by meeting with and encouraging developers to make private investments in accommodation. The result was the creation of approximately 1200 beds, restaurant and retail developments.[190]

Strong leadership within the Economic Development Office from the Director and from elected officials, particularly the Mayor in collaboration with community groups and the company shaped Kimberley's economic development strategy. They did not define themselves as social entrepreneurs, but through their actions combined social and business values, with the establishment of non-profit organizations that delivered a myriad of benefits. This quote by the Director of Economic Development reflects an approach based on collaboration and social learning to develop community capacity.

> I always saw myself as trying to achieve social objectives with private enterprise operating principles, models, and methodologies. In the Kimberley Community Development Society (KCDS) we could never run a deficit, we worked to a budget that was supported by our operations. Beyond that we were asked to contribute money, funding things. We didn't have a union but tried to provide training so that people could have work, we couldn't pay high wages, but we paid for training, provided

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[190] City of Kimberley, *Economic Development Office Report.* 1988.

opportunities for them to learn and grow in their job, and enjoy a good working environment.[191]

The strategy developed by the Economic Development Office clearly intended to build on the community's existing human resources and expand community capacity. They hired local residents and provided training so that they could learn new skills that allowed them to grow within jobs such as communications, marketing, accounting, and business management. The strong leadership skills of the Director of Economic Development in particular the ability to develop long range plans, to implement the vision, to innovate, motivate, coordinate, manage and build a network of partners keeping the diverse groups focused on project objectives was critical to sustaining the projects. The collaboration with other community-based groups ensured a broader base of participation. Yet, this collaboration did not mute all criticism. The Economic Development Office business approach to community economic development was perceived by some to be too closely aligned with the developers and the company.

The Economic Development Office initially looked at two organizational models of development. One was the more traditional "Chamber of Commerce" model that involves leaders within the community "acting as a sales person and through personality try and persuade people to come to town and do things in the community."[192] The other model was systematic and organizational, more of a community development corporation (CDC). Markey defines CDCs as an organizational structure an umbrella organization that provides support and help to facilitate CED strategies and projects.[193] In creating an organization that was financially independent, but not necessarily outside the governance of the City, it was envisioned that the structure would need to sustain the organization for the long term.

> In my research into what economic development offices were I realized that they don't last very long, because in an economic development office you need to be a rainmaker. If it doesn't rain you haven't done your job, if it does rain, someone else is going to get credit for it. That is the nature of the job. You need to have something that sustains the organization over time and that normally would mean a financial contribution to the office.

[191] Thesis interview, City of Kimberley, Economic Development Office actor, 2003.
[192] Thesis interview, City of Kimberley, Economic Development Office actor, 2003.
[193] For more on CDCs or community development corporations see Markey et al, 2005:124-7.

As long as you are at the whim of the politicians, as long as they feel they have to fund it, every time you get a new set of politicians you are very vulnerable. And particularly, in those days it wasn't seen as a core function of the city.[194]

Early in 1984 an economic development corporation was proposed, but there was concern over the term corporation and its function, so the organization was set up as the Kimberley Community Development Society. It's place in Kimberley's organizational structure is outlined in Figure 3. The society was modeled on a community development corporation that was municipally mandated to address economic development issues. It established Kimberley Vacations in 1985 to oversee the overall marketing strategies for Kimberley. The structuring of this "administrative arm" provided a diversified revenue stream through services such as central reservations that offset economic development operations costs, while providing funds for new initiatives. Although this funding strategy was not common, it was being implemented in communities such as Whistler at the time. However, another aspect of the financing structure was not that common. In that the revenue generated from the cooperative marketing organization was leveraged and used to fund the business operations such as the campground. The revenue generated from this operation was used as investment capital for new community infrastructure in the resort and at two of the golf courses.

5.2.3 Happy Hans Campground Venture

The Kimberley Ski and Summer Club owned the campground. It was a valued community amenity that supported Kimberley's fledgling tourism industry. However, it continually experienced financial difficulties. The Economic Development Office convinced the City of Kimberley to buy the campground, because it believed it could turn it into a viable business. The City Council paid $30,000 for the campground. It then effectively gave the management of the operation to the Kimberley Community Development Society. The agreement was that if the Society could make the campground work and make money, then the profits could be used for economic

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[194] Thesis Interview, City of Kimberley, Economic Development Office actor, 2003. The reference to those days is to the early 1980s.

development projects. The Economic Development Office put together a business plan that included drawings for buildings and a mini golf. In operating the campground business, the venture went from initially making $2,200 the first year, to $7,000 in gross sales the second year, and continuing to grow to generate real profits.[195] The profits became the seed capital to buy the ski hill that had been managed by the Kimberley Ski and Summer Club.

Figure 3: *City of Kimberley Organizational Chart*
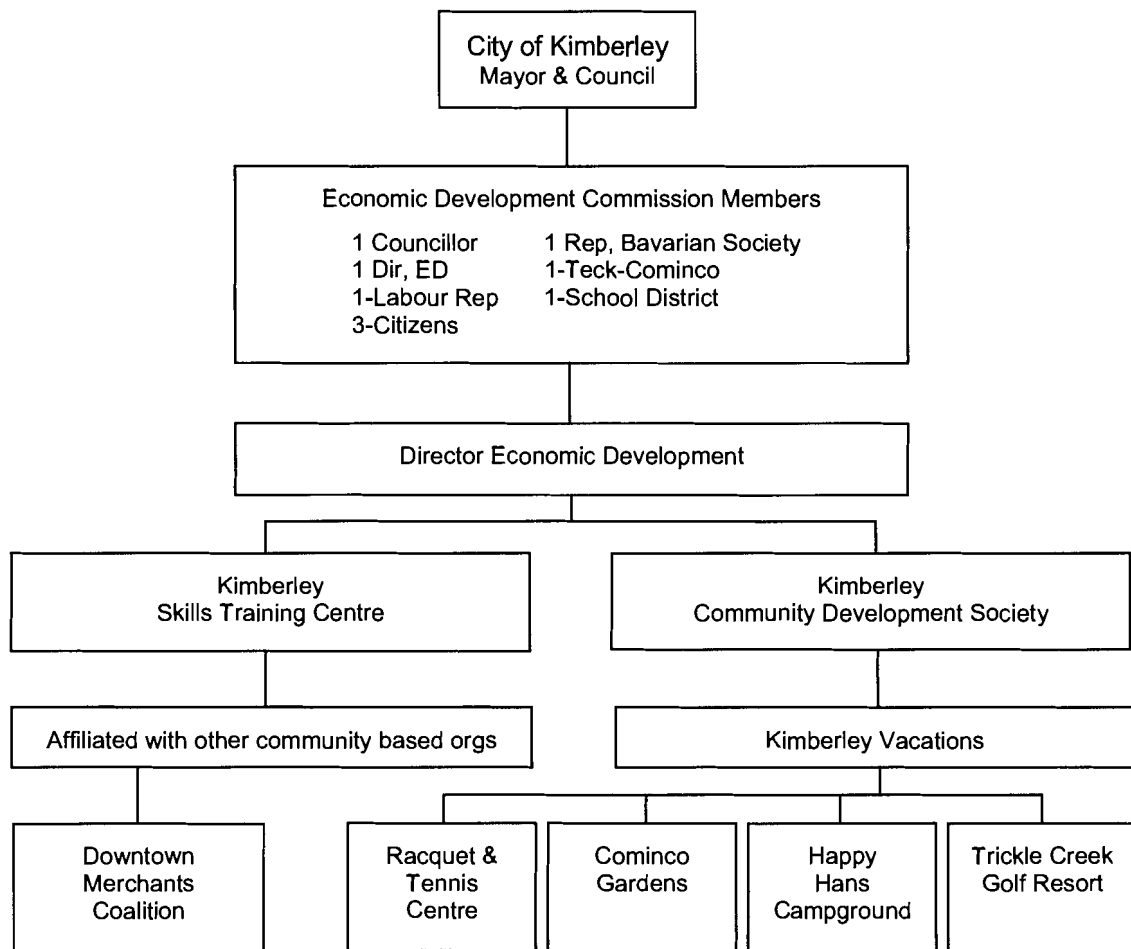
Source: City of Kimberley, Economic Development Office, 2003.

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[195] The campground was under the auspices of the Community Development Society employees.

5.2.4 Kimberley Ski and Summer Resort

The Kimberley Ski and Summer Club operated the ski hill in Kimberley. They were continually plagued with financial difficulties until the operation fell into bankruptcy. The bank was preparing to sell the ski hill through receivership action with all the assets being sold piecemeal, because of the 2.2 million dollar debt. The City was concerned that this major asset was about to dissolved, so it hired consultants to establish the value of the ski hill. The Economic Development Office evaluated the operations and developed a management plan. It also developed a marketing plan to satisfy concerns within the community that the risk was manageable. The City of Kimberley negotiated a deal that allowed them to purchase the ski hill for $750,000, without the debt. This purchase was also undertaken without a referendum, because the deal fell within the parameters of allowable costs. As well, the Economic Development Office created another non-profit society called the Kimberley Ski and Summer Resort to manage the operations. The City then advanced a $100,000 operating loan to this new organization. The initial concept was to package the ski hill to sell it to a private local investor to recoup the investment made by the City. However, the Economic Development Office realized that ski hill would be more attractive as an investment if it were packaged with other amenities that were associated with a four-season resort. Interviews with the Economic Development Office suggested that they believed that a four-season resort "would" deliver more stable local jobs and create opportunities for small service business creation.[196] The planning for a four-season resort resulted in the vision for the Trickle Creek Golf Course. The continued operations of the ski hill and campground generated revenue that was building a pool of capital that would provide the start up funding for the development of the Trickle Creek Golf Resort.

The purchase of the ski hill and the lack of a referendum created a "huge controversy" in the community. The unilateral decision to purchase the ski hill was not supported by all people in the community, because "there were a lot of people who said you shouldn't be involved in business."[197] This particular event highlights one of the

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[196] Many of these are similar to the CED strategies discussed by K. Vodden, "Co-management and Sustainable Community Economic Development in a BC Fishing Community". *MA thesis*, Department of Geography, Simon Fraser University, 1999.

[197] Thesis interview, City of Kimberley, Economic Development Office actor, 2003.

weaknesses in Kimberley's community development approach. During the thesis interviews individuals involved in the process and some community-based organizations agreed that this was a "pivotal decision" by the Mayor. He "championed" this initiative, took control and ensured that the community had the tourism infrastructure and did not loose a key asset. Yet the process created the perception in the community that a small coalition was driving Kimberley's economic diversification efforts. The lack of referendum meant that there was no community discussion about the use of tax dollars. Yet, the marketing study from the perspective of the Economic Development Office demonstrated the business case for the investment.

5.2.5 Trickle Creek Golf Course

In pursuing the vision for the Trickle Creek Golf Course, the Economic Development Office through the operations managed by the Kimberley Community Development Society was able to leverage a pool of capital and match it with provincial and federal funding. It was 1986 and Expo Legacy funding had been announced by the provincial government to provide communities across the province with a little money to create projects with an Expo theme. There was also provincial government infrastructure funding through a program called GO BC. The Kimberley Economic Development Office approached the provincial government and was told that if they could get federal funding, then the province would match it. The EDO identified funding through the federal community futures program. However, securing the funding that was promised was quite difficult.

> So how do you get the money from the feds? The trick was to identify a program whereby we could get the money. Essentially we went to Ottawa (Director, Economic Development, Company Executive, and Mayor) and made a case that we should have this money from the community futures program. We had to make case that tourism was an industry in Kimberley. It took a lot of work to persuade the feds that the money should come to Kimberley. Once we got the money in place we figured that it would just flow to Kimberley, but the politician administering the program didn't particularly like Kimberley because he was a conservative and Kimberley always voted NDP. So he made sure the money went to Kimberley and Cranbrook and enough people were appointed that the control was out of Cranbrook. So the trick was to persuade everyone on board to go with Kimberley. They didn't really want to until we had a

pivotal meeting and it was almost a political thing. We had to persuade them that we had been working on the strategy for some time for a four-season resort, and that tourism was a legitimate business for Kimberley. So we got the million dollars from the feds, and now we went back to the province and said where is your million.[198]

Once the Kimberley Community Economic Development Society (KCDS) had confirmed the federal and provincial funding it contributed a quarter million of dollars to the project. With the funding in place, the Economic Development Office created a "clone" of KCDS called the Trickle Creek Golf Society. This society managed the development and building of the golf course. However, while Trickle Creek and the Kimberley Ski and Summer Resort all had boards of directors that were appointments of council they had very little power or influence over the direction. The Mayor controlled the political situation to the extent that the boards existed yet their jobs were strictly sounding boards rather than being involved in the day-to-day business. The strategy and management came from the city. The day-to-day business was carried out by people that worked either for one of the societies or the Economic Development Office. The Kimberley Community Development Society provided the marketing and accounting support for the operations of the non-profit societies. This model developed the tourism infrastructure and provided myriad of service and professional jobs in the community. The approach of KCDS and its various non-profit initiatives was community-based, but the operations had limited meaningful participation by a diverse group of community interests and sectors. In terms of community economic development principles the coalition allowed participation but it was controlled.[199]

The development of the golf course actually hinged on negotiating a trade or buy out of land from Teck-Cominco. The company had historically owned most of the land in the community and part of the proposed golf course was situated on land owned by Teck-Cominco. The City did not have the funding to purchase the land, but undertook an arrangement with Teck-Cominco to purchase the land, but not pay for it until the Golf Course was built and in operation. The City purchased the land for the market rate at the time, which was established by what other properties in the community were selling for

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[198] Thesis interview, City of Kimberley, Economic Development Office actor, 2003.
[199] Barnes and Hayter, 1992; Reed, 1993 demonstrate the power and effectiveness of coalitions.

per acre. In conducting the interviews there was conflicting references to this land, with some individuals suggesting that Teck-Cominco gave the City the land, whereas others suggested, "years later I would hear from various representatives of Teck-Cominco, we gave you a hell of a deal or we gave the land away. Well it was a great deal in retrospect, but a fair price at the time."[200] The cooperation necessary to negotiate this deal had not existed in the past. The relations between the previous municipal governments and the company were formal and limited. The following anecdotal story captures the control Teck-Cominco had over the community.

> In the 1960s companies would come to Kimberley wanting to start up little businesses or whatever, employing trades people, but they were not given any access to any land. Cominco did own most of the land around Kimberley the only available land was in the recreation area. Most of the land appropriate for industrial or commercial uses was owned by Teck-Cominco and they didn't want other people buying it and the reason was they didn't want competition for their workforce at that time.[201]

However, this attitude began to shift in the 1970s and 1980s with the understanding that the mine had a limited life span. The company recognized that it had a significant tax responsibility in the community. This recognition was coupled with the advent of a new general manager who personified "a gentler, kinder company". In the community interviews, it was acknowledge that he was the first company manager to talk about wanting to sell the land. Now it could also be argued that this cooperation was not completely altruistic, in that given the tax implications it was motivated by self-interest. However, the involvement of this manager in the community went far beyond the duties of his job. He championed the tourism strategy and assisted the Economic Development Office. He contributed business management expertise to the strategic plans, enhanced the communities political voice, and shared his understanding of the economic forces affecting the community and how it could potentially mediate these. His early adoption of collaborative social relations occurred well before the concept of corporate responsibility was commonplace. This new ethic permeated upwards within the company, from

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[200] Thesis interview, City of Kimberley, Economic Development Office actor, 2003.
[201] Thesis interview, City of Kimberley, Economic Development Office actor, 2003.

operations to head office. The result was a shift in conception of the responsibilities inherent in the social contract that the company had with the community.[202]

The negotiations with Teck-Cominco occurred concurrently with other planning processes that involved community-based organizations. The Economic Development Office and the Mayor drove the vision for the four-season resort. In 1995, the Economic Development Office's plan for Kimberley's ski and summer resort land was completed. It focused on the proposed "build out" for the Kimberley resort lands adjacent to and including the Kimberley Ski and Summer Resort and the Trickle Creek Golf Resort. The cooperative relationship between Teck-Cominco and the Economic Development Office also resulted in the expansion of tourism amenities such as the Bavarian Mining Railway. The railway is managed by a committee that is part of the Kimberley Bavarian Society, a non-profit organization run by community volunteers. Members of the committee, the Economic Development Office, Teck-Cominco Ltd and the Provincial Ministry of Environment negotiated to free up rights of ways and assess liabilities. This process demonstrates that community-based organizations actively participated in planning that impacted amenities managed by them.

Once the planning and development was complete for the Kimberley Resort Lands, the Economic Development Office began an assessment of what it owned, rationalizing mining claims, disparate land titles and a myriad of technical and legal details. The Kimberley Community Development Society did not want to own the infrastructure, as it did not see itself in the business of operating tourist amenities. The goal was to develop the amenities and the businesses so that they could be sold to a private investor. The Economic Development Office pursued potential purchasers once the real estate package was assembled. The package included the ski hill and the Trickle Creek Golf Course. A related goal was to attract a major hotel chain to develop amenities at the base of the ski hill. This was achieved when the ski area and the Trickle Creek Golf Course were sold to a private investor, and the Marriott Hotel chain committed to building and opening the Trickle Creek Residence. In negotiating the sale of the assets the Economic Development Office negotiated service contracts for the

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[202] Wexler, 2000: 77.

Kimberley Community Development Society. The marketing was contracted to Kimberley Vacations, an organization established in 1985 by the Economic Development Office to market and promote Kimberley as a complete tourism package.

5.2.6 Summary

The vision released in 1991 by the Economic Development Office stated that Kimberley was "entering a stage of transition. By the year 2000 the community will have gone through the transition stage."[203] The range of strategies pursued by the Economic Development Office between the late 1980s and 2000 demonstrates a commitment to economic diversification. A number of lessons can be learned from the implementation of these strategies. First, the examination of the role of municipal actors in negotiating community economic development processes and developing strategies to diversify the local economy illustrates the importance of starting small and building up to larger projects. The small early successes of the Economic Development Office through the Kimberley Community Development Society built confidence in the community. This was particularly important in this case, given the degree of risk the Economic Development Office and elected officials took with tax payer's money. The organizational structure that incorporated committees led to increased volunteer resources. Certainly while the control of the process created criticism, there was still participation by many different community-based groups.

Community-based organizations and committees from the Nordic Ski Club, the Nature Park, to the Bavarian Society to others were integrated into action plans. In this role the Economic Development Office provided the leadership and the link to a diverse group that were connected by an informal network. The creation of the Kimberley Community Development Society by the Economic Development Office provided an arms length institution to manage a variety of operations some of which have been discussed in this case study. These included the Mountain Recreation Centre, formerly the Kimberley Tennis and Racquet Centre, the Happy Hans Campground, the Community Gardens, formerly Cominco Gardens, Kimberley Vacations, the Trickle

[203] City of Kimberley, Economic Development Office. *Kimberley Vision.* November 1991. The emphasis through underlining is in the original report.

Creek Golf Resort, and the Kimberley Ski and Summer Resort. All of these different amenities were either taken over or developed by the municipal government through the organizational structure described.

The examination of the role of municipal actors demonstrates how they leveraged resources to build capacity and create tourism infrastructure to work towards its goal "to create sustainable economic growth and diversification in the Kimberley economy."[204] Some aspects of the municipal approach were balanced. In that municipal actors collaborated with many different community-based organizations. A number of consultation processes were initiated that gathered feedback from committees, public meetings, forums, and workshops. The Economic Development Office provided support to community-based organizations that worked independently on their own initiatives. Many of these community-based organizations provided service amenities such as the Nordic ski trails that attracted regional and tourism spending. They contributed to the attractiveness of Kimberley as a destination, and built confidence in Kimberley as a community where local and external investment was occurring.

Yet, the dominance of municipal actors led to criticisms of elite boosterism associated with developers and the business community. The literature delineates clear lines, which in practice are very difficult to balance. The ability to identify and implement opportunities while balancing and negotiating community interests that are at times competing is extremely difficult. As was the case in Kimberley, some individuals raised objections that taxpayer money and community assets were being used for projects that were unproven. The counter perspective raised in the community is that CED processes can be bogged down or completely side tracked by a myriad of social, economic, and environmental issues. In taking the lead, the Mayor acted as the initiator forwarding the vision, and the economic development office, particularly through the direction and management of the director implemented the vision in cooperation with community-based organizations. Each of these organizations represented different interests that would support and drive their community project. The lesson in examining the role of municipal actors is that leadership is critical. Certainly other communities can extract

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[204] This goal is articulated in all of the City Of Kimberley Community and Economic Development: Strategy Review and Action Plan documents reviewed from the late 1980s until 2001.

learning from the way in which the Economic Development Office leveraged funding, undertook strategic planning, implemented strategies and managed competing strategies. However, other communities would be well advised to consider the risks inherent in the use of public money for community development projects. The degree to which municipal actors were able to manage these risks is a combination of perseverance, luck, skill, and opportunity that also may be a factor of circumstance and timing.

5.3   The Role of Company Actors

The research examined the role of the company in contributing to a sustainable economy in Kimberley. This inquiry recognizes that the companies long term involvement in Kimberley created employment and income from the extraction of natural resources. In the late 1980s and early 1990s it became increasingly apparent that this activity could no longer sustain the local economy. Historical research could provide an in depth analysis of labour relations. However, the purpose of this thesis was not to evaluate company historical labour relations, but to examine overall relations in terms of a baseline for evaluating if and how a shift in relations had occurred and what were the causal factors. Historically company relations can be viewed as oscillating between a minimalist and a self interested CSR position. These two positions are closely related. The minimalist view or the stockholders model suggests that the responsibility of the corporation is to maximize profits. The slightly more enlightened responsible corporation "does good" for others when this furthers growth and profits. [205] Historically, Teck-Cominco, a minerals-driven corporation, articulated its primary responsibility as maximizing profits through production.

The company grew by searching for new resources and subscribing to conventional industrial organization and decision making to ensure competitiveness. In 1986 a merger with Teck Corporation resulted in significant rationalization of production to improve economies of scale and operating efficiencies. This rationalization impacted the community of Kimberley in several ways, beginning with the October 1986

announcement that the fertilizer operation would be shut down. In Kimberley, Teck-Cominco's operations experienced continued labour unrest, with the United Steelworkers of America going on strike in 1987 for three months. Civic leaders expressed concerns about the prolonged effects of this strike, which became apparent later in the year, when Kimberley City Council had to cut more than ten percent from its 4.1 million budget to pay a municipal tax refund to Teck-Cominco.[206] In 1990, a labour dispute with contract miners, falling resource prices, and declining ore quality contributed to the announcement of an "indefinite closure" of the Sullivan Mine. The mine was shut down for nine months. It has been suggested that companies often use restructuring as a tool to gain control over the labour process.[207] In Kimberley this was certainly a factor, but also markets and a non-sustainable resource body were contributing factors.

Despite the company's reputation of having difficult historical labour relations, it also recognized the value in "doing good" as early as the 1940s and 1950s. However, this was primarily motivated by self-interest. Employees could exact a cost on the company impacting growth and profit. It was a good management practice to provide benefits that could be perceived by employees and the community as "doing good".[208] This perspective influenced corporate community relations throughout the 1970s and 1980s. However, after the 1990 closure a new general manager brought a differing perspective to community company relationships. He recognized his role and responsibility for profits and supporting the community. However, he also held a fundamental view that the company had a greater responsibility to the community in terms of commitment and obligation to ensure the community was sustainable after the company had ceased operations. This "social contract" perspective was not widely accepted by corporations or promoted by non-governmental agencies in the early 1990s. However, as the decade proceeded more and more corporations were exploring the notion of CSR. In exploring the role of the company, it became apparent that individuals

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[205] These two positions are the first two levels of corporate social responsibility (CSR), for more on the social contract, stakeholder management and stewardship model see Wexler, 2000: 77-95.

[206] The *Kimberley Daily Bulletin*, A Salute to Kimberley: 1890-1999, 1987.

[207] Neil, et al, 1992:397.

[208] Although company actions can be seen as "doing good" the relation to self interest suggests that the company percieved its social responsibility in terms of the self-interested CSR model.

within the firm acted as agents of change. Interestingly this shift was driven from regional operations upwards influencing head office senior management in terms of the importance of social contracts. This impetus would later lead to the implementation of stakeholder management strategies involving cooperation with community-based organizations and government.

The thesis research examined the role of corporate actors in negotiating and collaborating with municipal actors in community economic development processes and the development of strategies to diversity the local economy. The research demonstrates that corporate actors collaborated for a number of reasons from self interest in terms of tax implications to an increasing awareness of a greater responsibility. The relative importance of certain actors was greater in terms of influencing and building acceptance internally that the company had a responsibility to the community. The thesis demonstrates that this leadership was fundamental, because it facilitated the companies involvement from a supporting of processes to the development of strategies such as the Kimberley West Project. Secondly, the research also examines the role of corporate actors in processes that addressed environmental issues that were related to the social well-being of the community through the Sullivan Public Liaison Committee. This process it will be argued contributed to community capacity, because it included citizen participation, expanded the leadership base, strengthened individual skills, facilitated shared understanding and vision, focused the community on a specific agenda of steps, and provided a consistent, tangible process for achieving goals, and it enhanced the effectiveness of community-based actor groups that participated in the process.[209] However, without the participation of company actors this process would not have achieved these outcomes. However, to understand how the community achieved these outcomes requires an analysis of individual roles and processes.

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[209] These outcomes are based on the Aspen Institute's eight indicators of community capacity see Markey et al, 2005:133.

5.3.1 The Contribution of Individual Leadership

In the case of Kimberley it appears as though company managers were early adopters of a negotiation-based style of relations versus the more traditional confrontational style. This style was embraced by the new general manager. He attempted to build understanding and find a balance between the needs and interests of workers and the company. In building awareness about community issues he attempted to address community needs and concerns. And, through his dealings with labour union representatives, civic leaders and community members he was able to build trust and respect, despite presiding over difficult management worker relations that had resulted in labour disputes. In bringing together the different stakeholders he managed a process that allowed for collective planning that identified shared interests and negotiated shared goals.[210]

He challenged the norms of behaviour in the firm and over time convinced corporate executives in the Vancouver, B.C head office that certain decisions were in the best interest of the community, and that they were also good business decisions. In articulating this position, he was able to demonstrate the relationship between the objectives of corporate decision makers and relevant community stakeholders. This direction from his perspective did not compromise the primary objective and "responsibility" of decision makers at the operational level "to make a profit in a safe and efficient manner". It incorporated a broader vision that, "what has been demonstrated in Kimberley is that having a social responsibility comes back to pay companies big dividends. You have ethical funds and everything else. You can advertise all you like, but can't just talk the talk, you have to walk the walk."[211]

5.3.2 Corporate Leadership

In Kimberley, the company did more than just follow the law. It considered the obligation it had to the community after over hundred years of operations. In doing so, it demonstrated corporate leadership in the community, but also in the mineral and metals

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[210] This process is outlined in Monkia I. Winn, "Building Stakeholder Theory with a Decision Modelling Methodology" *Business and Society* Vol 40, No 2 (2001): 141.

[211] Thesis interview, company executive, 2003.

sector. In 2004 the CEO was nominated and awarded an Ethics in Action award for the company's work with the community of Kimberley. It has been argued that this type of commitment to corporate citizenship is part of the sustainability solution. Yet, the ability of companies to act as good corporate citizens is not only influenced by their corporate culture and values, but also by the business risks and opportunities and how these translate into a business case for engaging in wider societal issues. In some cases, resource dependent companies with " a strong short term shareholder value focus [are being] helped (or pressured) to understand the business risks and opportunities arising from specific issues on which their operations impact [to ensure that they] become actively engaged in addressing them."[212] The dynamics and effect of multiple stakeholder objectives on corporate decisions in the case of the Kimberley operations was driven primarily by economic imperatives. Changing social values impacted corporate decisions by shifting the way corporate culture was perceived and the way in which the company "should" operate in Kimberley. These processes were being explored in companies across Canada. The general manager initiated the shift in values and decision-making within Teck-Cominco through "subtle" social relations. He translated and applied these values to the day-to-day operations in Kimberley and conveyed their importance to the head office. This process was not marked by conflict, but by a process of co-operation and negotiation within the company, which resulted in other executives applying the principles of CSR to their work. In the context of Kimberley, this corporate leadership resulted in the company working with the Economic Development Office to pursue the Kimberley West project. It also played a factor in Teck-Cominco's participation in the Sullivan Public Liaison Committee.

5.3.3 The Kimberley West Land Development Project

In 1995 meetings were held to explore the idea of developing a new subdivision in Kimberley. The concept was proposed by the General Manager to the community as an initiative that could contribute to sustaining the economy for the long term. At the same time he proposed the concept internally to Teck-Cominco's head office, as a long-

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[212] Chris Marsden, "The New Corporate Citizenship of Big Business: Part of the solution to sustainability?" *Business and Society Review*, 105 (2001): 24.

term investment similar to that made by the Guinness family in the British Properties, in West Vancouver. It was argued that by assisting Kimberley to diversify its tax base by creating a housing development that contributed to the tax base the company would reduce its tax liability. The Kimberley West land development was a collaborative project between Teck-Cominco, the City of Kimberley, a Calgary developer, the Province through its crown lands division, and community-based organizations including the Nature Park Society. The concept was to develop land in Kimberley into a subdivision. The purpose was to create constructions jobs and replace assessment lost through the downsizing of Teck-Cominco. The development of this subdivision required extensive negotiations between Teck-Cominco and the Province of BC, as some of the land held by Teck-Cominco was exchanged for crown lands to accommodate the expansion of the Nature Park. Once the land deal was negotiated, Teck-Cominco partnered with a major developer from Calgary to build and market the subdivision. The servicing infrastructure for the subdivision now called, Forest Crowne, has been completed and several houses have been built. The company was not looking to get into the real estate business. The real estate development was perceived by municipal economic development actors as a way to attract external investment to the community that would have the potential to contribute to the tax base. The planning processes incorporated community-based organizational actors because these were perceived to be important in terms of integrating the development into the broader resort development planning process.

This type of strategy has been proven to be successful in other cases, but its success in Kimberley will require long-term evaluation.[213] The Kimberley West project appears to be based more on a local economic development (LED) premise. In that it relies on the investment of an external developer to build the homes, and the market, home purchasers from outside the community to sustain growth.[214] The way in which Economic Development actors describe the process of "packaging" community infrastructure and amenities as attractive for developers and investors suggests that Kimberley West was also considered in this context. Other community-based projects examined as part of the thesis research appear to integrate more aspects of CED and

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[213] Neil, et al, 1992.

[214] Blakey 1994, Reed and Gill, 1997 also differentiate between the CED and LED approach.

some LED, which the literature suggests is an appropriate strategy.[215] The Kimberley West Project poses some challenges in terms of evaluation of objectives and outcomes. In 2001 only a few homes had been built. However, because of the long time lines associated with CED the realization of the objectives to build homes and recover lost tax revenue may take years to realize. In the more immediate term, the collaboration between community-based organizations, municipal and company actors increased community awareness in terms of cooperative economic planning, increased levels of trust in the community between actors which positively impacted the ability to negotiate land use planning. As well the participation of company actors brought credibility to negotiations with senior levels of government and resulted in negotiations that preserved the natural area adjacent to the resort and residential development occurring in Kimberley.

5.3.4 The Sullivan Public Liaison Committee

In the process of conducting the thesis research it became evident that the Sullivan Public Liaison Committee integrated many of the principles of CED. In understanding the role of Teck-Cominco in the Sullivan Public Liaison Committee it is also necessary to examine the roles and influence of government actors and community-based organizations. The Sullivan Public Liaison Committee process provides valuable insight into community participation, planning, and cooperation. It demonstrates the potential outcomes of public processes in terms of increased community stewardship of the environment. As well as contributing to community capacity to understand complex environmental remediation technology and evaluate processes in terms of ecological amenities and human health.

In response to letters to the minister, the Sullivan Public Liaison Committee (SPLC) was established in 1990 by the British Columbia Government Ministry of Energy and Mines, Petroleum and Resources. The letters from concerned community members and groups such as the East Kootenay Environmental Society raised issues about access, aesthetics, development, pollution, contamination issues involving the planned

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[215] Markey et al, 2005:117 and Reed and Gill, 1997.

closure of the Sullivan Mine. The SPLC was formed initially as a "surveillance committee" by government "to make the problem go away" in response to the pressure from community-based groups.[216] These groups are generally thought of as the "public". One of the perspectives that was reiterated in the interviews was that "the public, was really one or two people, so you find out what their issues are"[217] and you address these. Although the limited participation may suggest that the process was not inclusive. It could also be suggested that community-based organizations are vested through participatory democracy and represent a larger constituency and the issues of importance to them. The SPLC became much more than a surveillance committee because of the role of the government actor as chair, the commitment by the company to finding working solutions to community concerns, and the persistence of the community-based organization.

The government representative who was appointed to chair the committee soon realized that there was nothing to model it on. The established policy was for the government agencies to get together in the morning with the company and figure out what they were going to do and then in the evening stand up in front of the public and have an information session. The usual outcome was that, "you got blasted by the public" and the government actor concluded that "this was not a terribly good model."[218] Since there were very few examples of different approaches to consultation in the mining and minerals industry a decision was made by the Ministry to get people involved. This was not initially well received by the company, because the "corporate culture was that mining companies of this sort in Canada minded their own business and made money, and people had to be grateful because they were there growing the economy, getting foreign exchange, and employing people, sustaining the economy."[219] However, after some discussion between corporate and government officials the company agreed to participate in the hosting of an open house in the community. The SPLC was formed, and groups were invited to participate. "They [the community-based organizations] didn't

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[216] Thesis interview, provincial government ministry actor, 2003 used these terms to describe the purpose of the committee.

[217] Thesis interview, provincial government ministry actor, 2003.

[218] Thesis interview, provincial government ministry actor, 2003.

[219] Thesis interview, provincial government ministry actor, 2003.

want to be told how good Teck-Cominco was or how good the government was or how many PhDs were employed in the Ministry of Mines, or whatever. They wanted to participate."[220]

The role of government was critical in bringing the company into the process, but also in managing the committee and ensuring that the process contributed to building capacity of community-based organizational actors. Since most of the issues raised in the letters to government were environmental the SPLC's first order of business was to evaluate the new Sullivan Mine closure plan submitted by the company in 1991. In the early stages of the process different individuals from community-based organizations, and from different provincial and federal ministries got involved. However, because the meetings focused on going through the closure plan, chapter by chapter, in a process that extended over several years, most community-based participants slowly dropped away. The various provincial or federal representatives attended when there were issues relating to their ministry.

The East Kootenay Environmental Society (EKES) was the activist social group that took on the role of championing community concerns about environmental and ecological impacts from mine operations on community health and well being. As the committee reviewed each chapter of the closure plan, the EKES participants would ask questions about areas they did not understand, then the company representative would explain something, and questions would go back and forth. One of the challenges was to ensure that the dialogue did not become adversarial. The process was structured so that materials were distributed ahead of time. EKES would submit comments and questions to the company before the next meeting. People became comfortable with the process and it worked well. "The underlying principle is that you have to make people feel like there part of it, not just observers, that's the whole business of minutes, and round table design of meetings, they make people feel included."[221]

The SPLC, which primarily consisted of a government representative, a core group of company managers, and a community-based organization, brought together

[220] Thesis interview, provincial government ministry actor, 2003.
[221] Thesis interview, provincial government ministry actor, 2003.

individuals with a range of skills. It was the skill of the chair in facilitating, building consensus, resolving conflict, and enabling communication and decision-making that ensured the process was a success. The company became more committed to the process as the committee worked through issues and achieved consensus on solutions. The process was also valuable because it allowed stakeholders to engage in meaningful dialogue that built trust. The result was that it contributed significantly to improving historically poor communication, mistrust and the perspective that there was a lack of transparency in company relations with the community. As one interviewee explained,

> The community as represented by the municipality built a strong
> relationship with the company. You have to remember that twenty years
> ago they wouldn't speak to each other. Teck-Cominco has benefited from
> the process and the outcomes. They are not at war with everybody. They
> got the message. Clearly it is transferable, you need commitment, you
> need champions you need people who can work with people.[222]

EKES saw as its role the need to ask questions to challenge the established order, and help the community to understand the issues. This required a significant investment in time because the issues were often technical and the community organizational actors did not have technical backgrounds. The company recognized that it was valuable to build the capacity of community participants. In many cases it provided external expertise to assist EKES to understand the issues. As well, company representatives, managers, and engineers took time to provide site tours, and assist in interpretation of technical issues for EKES representatives. The company and community-based organizational representatives acknowledged that they represented interests with different perspectives in relation to environmental values. The discussions did not always end in agreement. This was acceptable to the participants because their goal was to work towards consensus, defined as common understanding of the issues and concerns versus everyone agrees. To achieve this understanding required significant investment of human and financial resources.

The mining representatives for EKES and Teck-Cominco have been collaborating on a number of initiatives since 1992, including the Mark Creek recovery

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[222] Thesis interview, provincial government ministry actor, 2003.

program. In this period the community have become stewards of the creek, committed to reducing urban pollution entering the creek, conducting clean ups and monitoring water quality to identify urban pollution sources. The company has responded to community concerns about water quality by conducting extensive testing and reclamation efforts and they continue to work on solutions to the contamination caused by seepage.

> After a decade of impressive improvements in water quality resulting from Teck-Cominco's containment, diversion and treatment of contaminated water, 2002 events were a big disappointment to the community. In August people noticed a whitish tinge to Mark Creek which was subsequently found to be aluminium hydroxide precipitating into the creek originating from the seepage of contaminated water from the massive dumps of mining waste rock towering over Mark Creek, upstream of Kimberley. A quick fix was not be had. Teck-Cominco sunk a new ground water pump into the contaminated aquifer but then found they didn't have enough capacity to transport the contaminated water to their treatment plant. New pipes were laid and the pumping system is being upgraded but meanwhile water containing toxic levels of heavy metals has continued to flow into Mark Creek for close to a year.[223]

EKES representatives that participate in the SPLC have generated broad-based support and fostered environmental awareness and responsibility in the community. The community development literature references a number of benefits from this type of activity that are all evident in Kimberley including "public education, skills development, job creation, improved information for resource management, and an increased sense of pride and hope for the future."[224]

The factors that sustained the community-based organizational actors through the lengthy process have been discussed in the literature and were present in the SPLC process.[225] However, even these committed volunteers found it challenging to avoid burn out. Yet they had patience for the process and contributed significantly to the learning and capacity of the broader community. Although it is difficult to assess what makes one actor different from another, the degree of commitment, dedication, and passion for the community seemed to sustain these individuals. They were interested in

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[223] Helen Sander, Biologist, "Mark Creek Recovery Program Update", East Kootenay Environmental Society Newsletter, ECO VOICE, Vol 17, Issue 4, May 2003.
[224] Vodden and Gunter, 1999 in Markey et al, 2005:168.
[225] Markey at al, 2005: 215-6.

learning, but also in sharing their knowledge, which they did through numerous articles in the *East Kootenay EcoVoice*, the newsletter of the East Kootenay Environmental Society. They presented at numerous reclamation and acid rock drainage symposiums and conferences, and consulted with industry to build understanding about involving communities in decision-making. Perseverance was certainly one of the lessons learned.

> Patient, in for the long haul, they have to not expect things not to change overnight, willing to learn, to listen, to spend a lot of time doing a number of things, reading, writing letters, speaking to groups, willing to put forward a lot of effort, give up some personal time, have to be intelligent, helpful not to be confrontational until you have to be, there is a time when you have to be, but not initially, be communicative, having a group behind you is helpful.[226]

In conducting the interviews with community organizational actors the interview questions also asked participants to identify process success factors and challenges. In describing the process participants often described how the process fostered adaptive capabilities in terms of thinking about issues and interest-based positions from a number of perspectives. There was recognition that in many cases individuals would come into the process with their mind made up but over time through the dialogue they seemed to open up and gain an appreciation for a perspective that differed from their own.

> Well, not being close minded about a lot of things is important, community has to want to support itself, particularly support its most vulnerable members, open communication, talk to other members, support other people, willing in some way, shape or form to say thank you to that sort of thing. When I say open I mean not heckle someone because they have a different idea, be open and accepting even if they don't agree, have to have vision of what they want their community to be, that might involve all sorts of things safety, health, cleanliness.[227]

The value of involving community organizational actors is that individuals with local knowledge about ecological, economic or social aspects can bring that knowledge to the process. It makes for better problem solving, planning and solutions that are more likely to sustain the community.

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[226] Thesis interview, community-based activist group actor, 2003.
[227] Thesis interview, community-based activist group actor, 2003.

The value of involving a broader group of people in a problem like this, is seeing the value in community, the ideas that they can bring forward, and in what ever happens be supportive of that community as opposed to the only value being in the profit at the end of the month. It is critical, the recognition of the value here, its worthwhile to involve the company, the government, the community. This is what it is all about it is about the people. These people have built the company as much as the company has built the town. If we involve all these minds I firmly believe you get a better solution when you involve different perspectives. It is a win-win thing, if you can embrace that kind of idea. Companies need to look at this type of process as more than a public relations exercise that has to be done to fulfil some regulation. If that is the way that the process is approached then I think it is a failure, it has no chance of success. But if it starts as understanding that this is real, then it is going to be good for everyone involved.[228]

The Sullivan Public Liaison Committee, which was organized and led by a government representative, demonstrates that the state can encourage agencies and companies to come to the table, but also facilitate change in social relations between communities and companies. One of the challenges of the Sullivan Public Liaison Committee process was "not so much regulatory, but more social, government versus public versus company."[229]

5.4 Implications for Sustainable Communities

In interpreting the implications of sustainability for community the thesis utilized the case study method to evaluate whether the community of Kimberley was a model of a sustainable community. The evaluation was based on Bryant's definition of a sustainable community as one that is "economically viable, socially vital, and environmentally sound."[230] The Kimberley case study looks at similar factors utilized in other community development cases studies.[231] Specifically focusing on the function of actors to address interdependent socio-economic, political, and ecological issues. This process is valuable for other communities undergoing similar transitions, as it

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[228] Thesis interview, community-based activist group actor, 2003.

[229] Thesis interview, provincial government ministry actor, 2003.

[230] Bryant, 1999.

[231] This reference is to Markey et al, 2005 four British Columbia CED case studies on Salmon Arm, 100 Mile House, Lillooet Tribal Council and the Nuxalk of Bella Coola.

demonstrates the strengths and implications of different approaches. It also illustrates that importance of bringing together a diverse group of individuals to share resources, to leverage the knowledge and skills of community, company and government stakeholders focused on a common goal.

In Kimberley leadership was an important factor in conceptualising strategies, implementing and sustaining initiatives. Leadership was able to bridge historical communication divides between the company and the community. It was able to build consensus that allowed for mutual decision-making within specific initiatives. Yet, in the broader community context, local government leadership styles limited broader community participation. In that the political approach to community development resulted in a core group of individuals setting the direction and making the final decisions. This leadership style was very similar to the way in which the company management had operated historically in the community. It was suggested in the interviews that this approach was undertaken for reasons of efficiency and for community well being. Yet, as well meaning as this was intended, it was suggested that it was rather paternalistic. After a recent visioning session held by the new municipal government elected in November 2001 a community member said:

> You know I have been involved in lots of visioning processes in organizations, that didn't involve creating a vision, because it was laid on the group. What we are saying, this last one had much more people involved and more listening. Even so it is a difficult process to come up with a cohesive vision for a broad number of people, not sure if the process itself is what is going to create the vision in the end. It is going to be part of it, part of living here, being involved eventually a vision will coalesce.[232]

The implications from the interviews in terms of sustainability are that communities need resiliency. This comes from groups of individuals committed to working together from the company, elected officials and economic development staff. They evaluated what they perceived as the reality for the community and undertook a proactive, entrepreneurial approach to restructuring and change. The role of leadership and in particular in the case of Kimberley the team of initiators with vision, tenacity and

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[232] Thesis interview, company executive, 2003.

skill representing the company, the local government and the community put their stamp on the nature and direction of entrepreneurialism. They each contributed unique attributes but in general they were all able "to understand the motivations and dynamics of a lot of different people. In that sense you have to be somewhat diplomatic and pragmatic, be a team player, and work with people who are coming from a lot of different perspectives. You have to understand what they need to succeed and work with them in a way that while they are succeeding you are succeeding."[233]

The effectiveness of different policy actors for community sustainability is complex. Yet, the participation of community organizational actors in the SPLC process built their capacity to understand the implications of complex policies and technological processes in environmental remediation. This type of citizen participation moves beyond consultation and placation to a partnership approach.[234] The interview respondents identified how the process contributed to their capacity to continue to formulate and pose questions about the ongoing remediation, issues around reclamation bonds and the implications of legislative changes. Certainly community organizational actors have greatly enhanced their knowledge and experience which allows them to effectively fulfill their role to question how changes in government policies will "impact the situation at the Sullivan and therefore how they will impact the community of Kimberley and the surrounding environment."[235] In terms of lessons learned, the Kimberley case demonstrates the implications of leadership and process for community sustainability.

> The elements of the process that are transferable involve taking a good look at where you are and trying to determine what you could become, but if things happen don't be afraid to alter your direction. We looked at a lot of options, but we have worked, with what is working. We have taken some chances, and tried to be innovative. That is where that private enterprise stuff comes in. We are not always about covering our ass because it might not work. So we have taken some chances and worked hard. You have to build some teams beyond volunteers. Our success was in the teamwork. Positive actions and cooperation always work better

[233] Thesis interview, City of Kimberley, Economic Development Office actor, 2003.

[234] Arnstein, 1969 in Mitchell, 2002:187 articulates eight levels of citizen participation including public participation that does not move beyond consultation, where citizens are heard but not heeded or advice is received but not acted on.

[235] Laura Duncan. "The Legacy of the Sullivan: Reclamation, Risk, and Uncertainty." East Kootenay EcoVoice, *East Kootenay Environmental Society Newsletter*, Vol 16, Issue 8, October 2002: 5.

than negativity, this is not a vision statement, but general enough to underpin a vision. By definition you have to have better outcome. First thing ensure that you have a level of cooperation, determination, vision, and ultimately skills.[236]

The election in 2001 of a new municipal government and mayor after 35 years was based on several issues, one of which included the community's desire for more participation and inclusion in defining community vision.

In terms of community sustainability, Kimberley represents a case study in adaptation and response to industrial restructuring. The process is complex because of the inputs and impacts of human behaviour, the dependency of the local community on the environment, and the economy. Sustainable initiatives and considerations have the potential to play an integral role in balancing competing human interests to lever social and environmental systems for maximum benefit. However, the pursuit of development or growth driven initiatives must be measured on macro and micro scales, as to whether they contribute or degrade ecological, economic, and social systems. The pursuit of community sustainability is a broad goal. If communities are to manage change they will need to do so through collaborative planning processes that negotiate trade offs to balance the interests of differing stakeholders. In this way specific strategies that consider the community context can be developed to address social, environmental and economic concerns. Community economic development provides a framework so that communities do not oscillate back and forth, propelled by local agency on one hand, and influenced by external forces on the other, while attempting to leverage changing societal values to their advantage.

5.5   Interview Summary

This chapter utilizes the case study method informed by in depth interviews with municipal, corporate, state and community-based activist group actors to understand their role in negotiating community economic development processes and developing strategies to diversify the local economy. The case study demonstrates the importance

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[236] Thesis interview, City of Kimberley, Economic Development Office actor, 2003.

of leadership in terms of facilitation, consensus building, resolving conflict, enabling communication, and decision-making. In Kimberley, many of the individual actors had all or some of these skills. The various actors collaborated for different reasons. The municipal government was primarily motivated by economic decline. It's mandate from citizens to take "whatever steps necessary to maintain the standard and quality of life presently enjoyed by the community" supported its efforts. For the company on one level it was a business decision, yet its actions demonstrated that it did more than just follow the law, it took into account its obligation and social responsibility to the citizens of Kimberley. The weighing the importance of these different actors there is no doubt that the Economic Development Office was of primary importance. Yet, the processes and strategies developed could not be done alone. The interdependence between the actors required collaboration and thus each actor was influential in different ways throughout the process. They all contribute to the outcome, which was to ensure the community of Kimberley could sustain itself. The Sullivan Public Liaison Committee demonstrates the fundamental role of senior levels of government in creating the forum through which the company and community could mediate relations. The SPLC also demonstrates how senior levels of government can be more facilitative and flexible in working with communities. Yet, it appears that government would not have undertaken this role, if community organizational actors had not pushed government. At the same time, corporate participation was initially enabled by government actor relationships with the company. British Columbia mining companies did not have experience in participatory processes at the time that the SPLC was initiated. The SPLC demonstrates the benefits of collaborative problem solving. At the same time the trust built during this process is easily undermined. It will continue to be a challenge for companies and government agencies to ensure that relations in Kimberley and other communities are more than public relation exercises that inform community through consultation. The case of Kimberley demonstrates the value of processes that engage, and integrate collaborative problem solving and decision-making. It illustrates the benefits for companies and communities that overcome polarized interest-based approaches to achieve consensus. The balance between these relations is tenuous. Government's involvement is subject to changing politics, legislation and hollowing out of services and resources. The outcomes of this research would suggest that a key strategy to counter the matrix of

forces at work in communities is to build relationships, foster connectivity, and ensure broad-based participation.[237]

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[237] For more on government's involvement, see A. Patterson, P.L. Pinch. "Hollowing out' the local state" *Environment and Planning A*, Vol. 27 (1995): 1437-1461. From this researchers perspective, Markusen's 1996 work on connectivity would counter some of the forces including local dependency as identified by Cox and Mair, 1988. Yet, as Reed and Gill, 1997 have demonstrated participatory approaches require community building because resource communities were often founded on values associated with productivism. This suggests that the work of Bryant, 2000 is relevant in addressing the challenges of making progress towards sustainable communities.

CHAPTER 6.

Conclusion

6.1 Introduction

The primary focus of the thesis research was to determine the role of municipal, corporate, state, and community-based activist group actors in negotiating community economic development processes and developing strategies to diversity the local economy and contribute to community sustainability. The thesis proposition was that Kimberley was able to counteract the forces of economic restructuring and mitigate the negative impact. Yet, to understand why and how required research into a number of sub-questions to examine the role of various actors, the motivations for collaboration, the relative importance of actors, the specific strategies that were implemented, and how these contributed to sustaining the economy, while others contributed to broader social and environmental objectives.

The initial design of the questions was based on preliminary research in the community. Meetings with a variety of stakeholders from small business entrepreneurs, educators, past miners, labour representatives, community-based organizations, political leaders, municipal staff, and others provided essential background on the community. One of the observations during the research was that many individuals stated that Kimberley had "gone through" the transition period. Although there were a few people that were not so sure. In probing why they believed this many referred to a statement by the Economic Development Office that suggested that the community would have gone through the transition period by the year 2000. They suggested that most of the initial goals set by the Office had been achieved or were well underway. They made reference to a number of projects that developed physical tourism infrastructure in the community and were now complete. In their perspective it seemed logical that Kimberley had gone though the transition.

The projects referred to in the interviews are discussed in the case study. The community economic development processes initiated by Kimberley's Economic Development Office created momentum and were strategically focused on implementing strategies that it believed would sustain the economy. In working from small to larger projects local actors were able to sustain the local economy. However, these processes and strategies are not evidence that the community has gone through the transition stage. The efforts of municipal and corporate actors were focused on addressing the causes of restructuring in terms of the closure of the Sullivan Mine. Yet, in examining the indicators during the thesis research, it became apparent that Kimberley was very dependent on the public sector. This dependency was almost equal to that of mining and certainly overshadowed the emerging industry of tourism. The potential for public sector restructuring in Kimberley was significant.[238] For this reason, this thesis suggests that Kimberley's transition is not complete.

6.2 Actors as Agents of Change

If communities such as Kimberley are subject to continuing change then the relative importance of different actors as agents of change must be considered. In the context of the thesis research an "agent" is defined as a manager, negotiator, mediator, provider and a representative of change. Yet, it can also be the driving force, cause and means of change. The effectiveness of local actors as agents of change is dependent on individual capacity. Kimberley was able to sustain the local economy because of the inherent skills and experience of local actors. These factors are unique to individuals not to communities. However, every community has individuals with different capacities. These individuals can "mobilize and gather internal and external resources from networks to which they belong." [239] In Kimberley, actors were particularly adept and effective in building relationships and extending their networks. Municipal and community-based activist group actors expanded their sphere influence to engage

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[238] During the writing of the thesis, but outside the parameters of the research period, this dependency became apparent to the community when the provincial government initiated restructuring.

[239] The effectiveness of local actors is explored by Bryant, 2000.

corporate actors. In doing so, they reshaped the social relations within the community through the negotiation of social, environmental, and economic interests.

The relative importance of corporate actors was considered in terms of their role as an agent of change. Some might suggest that that they were relatively important because they initiated the restructuring that negatively impacted the local economy. Yet, because some of the factors such as competition and world mineral prices are beyond the control of the company, it is more likely that the company was merely responding to change to remain competitive. Yet, individual corporate actors played an important role in terms of their individual leadership. The company was convinced by these internal leaders to adopt a new way of thinking about its relations with stakeholders. In examining Teck-Cominco's role in light of the corporate social responsibility literature, the company can be perceived to have moved from a minimalist view through self-interest to its current position of oscillation between the social contract and stakeholder management model. In progressing along this continuum it has become an early adopter of corporate citizenship in the metals and minerals and metals industry.[240]

The discourse of companies as agents of change is rooted in the corporate citizenship or corporate social responsibility literature reviewed in the thesis. The premise is that the company can be an agent for change by providing moral leadership. There are many examples in the past and even today, where companies have not been forces for positive change, creating climates of distrust. Yet, changing societal norms, pressure from social and environmental activist groups, and individual leadership within corporations are contributing to organizational change. In the case study, leadership was demonstrated to be a key success factor. Individual leadership at the operational level influenced the organizational culture at the head office, which over time was disseminated throughout corporate operations. In participating in the Sullivan Public Liaison Committee, Teck-Cominco demonstrated leadership and built trust. The evidence of greater trusts rests in the fact that the participants continued to meet and negotiate consensus. To move forward with the agreement that the details can be worked out later requires trust. In the case of the SPLC it was built over time as

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[240] The continuum is made up of the five positions of corporate social responsibility, see Wexler, 2000:77.

participants with diverse perspectives undertook shared problem solving to address environmental and stewardship issues.[241] Yet, this trust is rather tenuous and may well be impacted by how the company manages a number of unresolved issues in the future. After the closure in 2001, the SPLC began to meet less frequently. Yet, community-based activist group actors suggest that issues such as bonding negotiations, human health and ecological risk assessments, ground water problems in terms of seepage from waste dumps, the legacy of collection systems such as pumps and pipelines and their long-term maintenance will require ongoing work by the group. These actors also have significant concerns in terms of the reduction of provincial government ministry presence in the project and potential changes to government policy or regulation that could have implications for the community. The tenuous nature of trust built between the company and the community is exemplified in an article in the EKES newsletter.

> The trust that had been developed between Teck-Cominco and the community of Kimberley was shaken when Teck-Cominco wanted to deposit waste material from their Trail operations in the Sullivan tailings ponds. They assured the SPLC that they would not bring waste that was characterized as 'hazardous' to Kimberley. When the material was tested and some proved to be 'hazardous waste', Teck-Cominco failed to keep its word and brought the waste to the Sullivan tailings pond.[242]

These types of experiences demonstrate how trust that is built slowly over time, can be eroded quickly by actions that do not match commitments. Many of the conflicts or differences in interpretation of issues that arose during the SPLC process and other initiatives were often based on "difficulties with communication, information, process/organizational structure" or "relationships, interests, or values."[243] The company played a role as an agent of change in terms of its participation in the SPLC that focused on environmental reclamation. However, in the context of the Sullivan Public Liaison Committee, the company was just one of the agents of change. The renegotiation of relations between the company and community-based activist group actors built a commitment to social responsibility within the company but it also influenced the

[241] The Kimberley case, in particular the Sullivan Public Liaison Committee demonstrates the stakeholder stewardship model in Wexler, 2000:92.
[242] Laura Duncan, "The Legacy of the Sullivan: Reclamation, Risk and Uncertainty", East Kootenay Environmental Society, Newsletter ECOVOICE, Vol 16, Issue 8, October 2002.
[243] Markey et al, 2005:155.

communities commitment to ecological stewardship. This was not a planned objective, it was an outcome of the process. In adapting to change, both company and community-based group actors extracted learning that was used to improve environmental quality, optimize current economic and social benefits. In doing so they integrated principles of sustainable development to manage resources.[244]

In the case study analysis of the Sullivan Public Liaison Committee provincial government ministry, company, and community-based group actors each played an important role. The process would not have been as effective without the participation of each of the actors. The provincial government ministry actor provided the necessary facilitation and credibility for the process. Community-based group actors enhanced the perception of accountability, transparency, and meaningful consultation, which benefited the company. In the SPLC, no one group of actors was more important than another. In contrast, the examination of the role of municipal actors, in particular the Economic Development Office demonstrates that they were relatively more important than the company and other community-based organizations in negotiating community economic development processes. These actors provided the leadership, direction, and had the individual capabilities to build networks and access resources, that ensured they were able to develop and implement strategies that contributed to the local economy.

6.3   The Road from Resource Dependency

Resource dependency is not common to all community case studies, but in Canada there are many communities that are dependent on resources. The literature on staples theory explains the economic history of these communities in terms of sequential exploitation of resources and the associated development patterns. It examines the effects of transportation markets and sources of capital that were needed to develop the resource. In terms of this theory the development of the Sullivan Mine in Kimberley, the relations between the company and the community were all a factor of the "staples trap".[245] The geographic literature captures the challenges and conditions that Kimberley

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[244]   Reed, 1995a, 1995b defines sustainable development in terms of resource management.
[245]   Innis, 1933.

faced as it attempted to diversify as early as the 1940s.[246] Kimberley's transformation was indicative of a much larger process occurring in communities and resource sectors across Canada in the 1950s to the 1970s. During this period, labour was undergoing a transformation that was also changing relations between unions and workers. The capital intensification of resource industries, such as was the case with mineral and metal extraction and processing decreased the demand for labour. These factors were exacerbated by changes in global markets, social norms, and regulatory regimes that all played a factor in the transformation of relations at the local level. The result of which produced "significant transformations in trading/exchange relations, regulatory regimes, social norms, and environmental quality" in many communities.[247] The community of Kimberley when considered in the context of the literature was resource dependent. It was inevitable that the external forces of industrial restructuring would eventually affect the community. Yet, one of the key ways in which the community mitigated the negative forces was to initiate planning over ten years before the closure of the mine. This conclusion was supported by comparing the process initiated in Kimberley to the case of Kellogg, Idaho. The differentiating factor between the experiences of these two communities was that Kimberley undertook planning well before closure rather than after.

6.4 The Local Dependency Trap

Internal forces within the community influenced Kimberley's response. These forces included historical social dynamics that influenced the relations between the company and the community, and the municipal government and the community. Even though citizens appeared to reject an identity based on dependency up until the 1990s, the research confirmed that the attributes of dependency described in the literature existed in Kimberley. Mining is "place based and it is locally driven. The "inevitability of the resource cycle" meant that as the quality of the ore body decreased so did

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[246] Lucas, 1971, Randall and Ironside, 1996, Robinson, 1962, Savoie, 1986.
[247] Markey et al, 2005:286.

Kimberley's security.[248] The literature suggests that rapid change contributes to an atmosphere of insecurity.[249] The historical dependency of the community on the company meant that Kimberley experienced insecurity during the late 1980s and in 1990 with the indefinite closure. Yet, even during this period, security was associated with economic processes and latent social processes were not seen to be as important.[250]

The transition process in Kimberley was neither straightforward nor simple. A type of social dynamics existed in the community that influenced the community economic development processes. During the initial public meetings a consensus was established that supported the Council to take "whatever steps necessary" to stabilize the local economy. This endorsement could be viewed as a result of the successful efforts by local business coalitions to rally citizens together and to co-opt opposition to "save" the local economy.[251] In Kimberley, Cox and Mair's local dependency theory is evidenced in a number of ways. Individuals with leadership capacity served on committees and coalitions that shared similar interest. Their collective strategies were designed to realize their common interest to enhance the flow of value through Kimberley. They collectively articulated this interest in a way that provided a solution to reversing the decline in Kimberley's economy. The interviews provided insight into the process, but also demonstrated how these efforts created an antagonistic environment between the locally dependent communities of Kimberley and Cranbrook as they competed for development funding. The case analysis suggests that as the Economic Development Office attempted to introduce community economic development principles, the strategies were layered on an existing political/power structure that influenced the way social relations were negotiated.

During the initial interview process, some individuals suggested that the City of Kimberley's approach seemed patriarchal, that its style was similar to the historical style

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[248] This outcome is a result of the interrelationship between a reliance on staples, Innis, 1933 but also based on ecological perspectives Clapp, 1998, and theories on economic diversification Barnes and Hayter, 1992, Hayter et al, 1994, and Hayter and Barnes, 2001, Bowles, 1982,1992 suggests new ways of understanding the processes and interdependencies at work in communities.

[249] In this way Kimberley's experience was counter to that detailed in Bowler, 1992:81.

[250] This suggests that some social processes were hidden or obscured because they were not part of the economic agenda and thus not considered relevant or important for consideration.

of the company. This is not to say that the community economic planning processes didn't involve a broad base of participants, they did. The Economic Development Office involved these groups as partners in implementing the initiatives. Yet, the City of Kimberley controlled the process through the organizational structure and the degree of independent decision-making that impacted the overall process. It could be argued that these leaders took the necessary first steps to build the framework and create economic initiatives that allowed the community to sustain itself. This provided the time necessary for the community to build capacity and to adapt to the changing environment. However, this perspective also provides insight into the societal system structure that governs decision-making and management of resources. In that this small coalition of leaders duplicated an approach that they knew worked. Why, because it represented a top down style of leadership and decision-making utilized by state government and business.[252]

6.5 Local as the Means of Identification

The revitalization of Kimberley's downtown through the Bavarianization of the community façade can be understood in terms of an adaptive response to sustain the local economy. Over time it became apparent to the community that this façade was fading. It was not attracting tourists to the same degree and to many seemed lacking in authenticity. One of the reasons this effort did not constitute a foundation for identity is because it was not a reflection of Kimberley's history. It was an imagined identify not a place-based identity, whereby the "very character of the land [is] imprinted on [the community], a physical difference expressed as [a] social and 'regional' quality."[253] The landscape in terms of the community facade was "self-consciously designed to express the virtues of a particular political or social community" of interest.[254] Nozick suggests that, "authentic culture evolves from the collective memory of social experiences over

[251] Cox and Mair, 1988 illustrate the role of local dependence and the influence of leaders in forwarding the interests of local coalitions.

[252] Bryant et al, 1991:234.

[253] Gerald Friesen, "The Evolving Meanings of Region In Canada", The Canadian Historical Review, (2001): 532.

[254] Simon Schama, Landscape and Memory. (New York: AA Knopf, 1995), 15.

time."[255] In this context, Kimberley's identity is strongly associated with the land and the historic mining experience, not Bavaria.

The shift from mining to tourism is a response to changing conditions that requires a different utilization of the land base to take advantage of an opportunity.[256] The Economic Development Office levered the existing functions of community groups that provided services and amenities for residents through the development and maintenance of nature parks to ski trails. The tourism, recreational and amenity values enjoyed by residents had the potential to be marketed to visitors. In this way the community captured some of the rent generated by the consumption of an outdoor lifestyle. In many communities, "the introduction of TRA values into landscapes shaped by extraction and production of environmental resources creates new tensions".[257] Yet, in Kimberley the introduction of TRA values did not create the same degree of tension because extraction no longer shaped the economy to the same degree. TRA values can be impacted by the aesthetics of landscape, the impacts of human development, the expectations of visitors, second homeowners and residents in terms of the leisure environment. It is important to recognize that beyond this local context the impact of tourism activities based on TRA values are difficult to measure, because they are dispersed across broader scales.[258] In adopting tourism as a strategy to sustain the local economy, the community will need to resolve several questions. These include, is it in the community or public interest to have tourism and recreational amenities managed by individual groups, and/or the City of Kimberley indirectly through various societies, or by private interests? Small town communities will continue to provide insights into the negotiation of values that are a result of the transition from a productivist to post-productivist economy.[259] The land base will be at the centre of these negotiations because different interests see it as " a place which one goes - the site of 'resources,' a

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[255] Nozick, 1992:183.

[256] Dawson, 2004: 4-42 suggests that the development of the tourism industry was designed to take advantage of opportunity. At the same time government policy 1950 -1970 supported tourism as a recognized strategy to alleviate economic underdevelopment. Dawson, 2004: 178-210.

[257] Reed and Gill, 1997.

[258] The challenges of measuring the benefits have been explored by Heikki Jussila and Jari Jarviluoma, in Neil, 1998. Although they conclude that as a whole tourism has created new economic activity. They identify similar challenges as this thesis.

[259] Reed and Gill, 1997.

stage for 'recreation,' a source for 'spiritual renewal,' and a scene for 'aesthetic reflection.'"[260]

6.6   Bridging the Gap:
From Dependency to Community Sustainability

Community economic development is a practical framework for managing economic and social change in communities. It provides communities with a planning process that allows them to move beyond vision and consensus to implementation. Several features differentiated the case of Kimberley from other resource-dependent community case studies. First, there are very few community economic development case studies that document the involvement of company actors in developing and implementing strategies to sustain the local economy. In most cases, community economic development processes are comprised to varying degrees of citizens, community-based organizations, government, academics, and CED consultants. The collaboration between the company and municipal actors significantly enhanced Kimberley's leadership capabilities, it facilitated the transfer of skills, and increased the credibility of proposals to federal and provincial funding agencies.

A second defining feature of the Kimberley case was the effectiveness of municipal and Economic Development Office actors. In that, as Bryant suggests, these actors were effective because of "their ability to mobilize and gather internal and external resources from the networks in which they belong". In the community municipal actors did this by enhancing communications and improving connectivity amongst community groups within the context of a strategic organizational structure. Externally, municipal actors leveraged relations with corporate actors to access their resources and networks. At the same time, they collaborated with corporate actors to build relationships that furthered their economic development strategies. Kimberley is a practical example that economic development is built incrementally on structures that are in place. Municipal

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[260] In examining the questions of environmental history Graeme Wynn provides an overview of writing on the environment in British Columbia referencing B. Braun, *The Intemperate Rainforest: Nature, Culture, and Power Canada's West Coast* (Minnesota: University of Minneapolis Press, 2202) in Wynn, Graeme, "Shall we linger along ambitionless?" Environmental Perspectives on British Columbia," *BC Studies*, No. 142/143 (2004): 67.

actors started small and built up to larger projects as their capacity and credibility increased. They levered their relations with the company to create new connections in an attempt to make local development efforts stick.[261]

However, even with effective actors the ability to access resources particularly financial resources is challenging. To reiterate the points made in the case study, the municipal actors in collaboration with corporate actors utilized networks to acquire initial funds. They leveraged these to expand the financial resources for projects. In interviewing municipal actors they suggested that the greatest difficulty was to get provincial and federal funding. The Kimberley case demonstrates the value of infrastructure funding. At the same time, the Kimberley case reinforces the importance of proactively and strategically planning, while creating links locally, as well as building external connections.[262] The Kimberley case suggests that human and financial resources, market knowledge, relationship networks and the management expertise of business are all integral to success.

A third defining feature was the way in which company, provincial government ministry, and community-based activist group actors negotiated economic, social, and environmental relations throughout the SPLC. This process contributed to community resiliency by improving social relations and ecological resources. The company initially participated in the process to fulfill its regulatory obligations, but began to work more collaboratively once it realized the benefits of building the capacity of community actors. The company provided financial resources to bring in managers, engineers and other external experts that worked to build understanding and the knowledge of local community-based actors. This fostered their technical skills to understand and effectively evaluate complex remediation processes. The result was that the company and the community were able to undertake shared problem solving and engage in participatory decision-making necessary in the remediation process. The case study outlines the company's involvement. This can be seen as a continuum from initial resistance to greater participation through careful consultation and information sharing, to a

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[261] This process is suggested by Markusen, 1996:293.

[262] The concept of regional governance that relies on a network of interrelationships between public and private stakeholders is supported by Hodge and Robinson in McAllister, 2004: 176-177.

collaborative process of negotiation that increased trust between the community and the company. Teck-Cominco's experience demonstrates the benefits and operating advantages that can accrue to companies that move beyond public relations to engaging communities through more transparent collaborative consultation processes.

6.7 People Make Their Own History

"People make their own history, but not in circumstances of their own choosing."[263] Koch's study of Kimberley clearly outlines how in the early 1990s the economic and social stability of the community was destabilized by circumstances beyond their control.[264] Yet, community actors in Kimberley were able to mitigate the negative impacts of economic restructuring experienced by other communities because citizens had a history of responding to change through the development of alternative strategies and volunteerism. The case study illustrates the individual agency of local actors and provides insight into how groups articulate responses that re-negotiated relations. In Kimberley, community-based activist groups applied pressure and levered the provincial government to initiate and lead the Sullivan Public Liaison Committee. The provincial government actor was able to shape the process through facilitation. His participation ensured that community-based group actors were involved in decisions. Some might argue that the community-based activist group represented particular interests and thus it could not be defined as constituting the community. However, the way in which the group shared the learning from the SPLC process with the community through articles and presentations suggests that they broadened awareness and commitment to participatory planning and stewardship. In engaging the community in the discussion of what constitutes community well-being these actors "democratised the whole process of managing change".[265]

The case of Kimberley demonstrates how a community adapts and changes in response to global processes beyond its control to ensure community survival and

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[263] Fredric Jameson. *Postmoderism or, The Cultural Logic of Late Capitalism*. (Durham: Duke University Press, 9th printing, 2001), 408 is citing Marx's 18th Brumaire of Louis Bonaparte.

[264] Koch, 1996.

[265] Bryant, 1999:87.

success. The experience of Teck-Cominco illustrates "the challenge for any mining company is to engage in an equitable partnership with the associated community and thus leave a lasting legacy of sustainability and well-being to the community, avoiding environmental degradation and social dislocation."[266] The corporate citizenship literature also suggests that companies must reinforce institutional infrastructure in communities where they operate. Teck-Cominco historically supported the community institutional infrastructure, yet the degree to which the company will leave a legacy of institutional infrastructure is yet to be determined. However, the case of Kimberley does illustrate the importance of relationships, leadership, collaboration, and participation. It demonstrates how one community became more engaged in the operating practices of a company in terms of its social performance and how this reshaped the relations within the local community. At the same time this process strengthen citizen participation, the leadership base, and individual skills in the community.[267] The case of Kimberley demonstrates that effective participatory systems depend upon commitment rather than coercion. Systems that most fully utilize the information and ideas of the members cannot be preprogrammed or tightly controlled. They depend upon voluntary cooperation, taking an interest in actor's information and ideas, and trying to utilize those contributions in problem solving.[268] This being said, resource dependent communities will continue to experience challenges as they adapt to changing conditions. For this reason, the framework of CED that utilizes a system-based approach to link social, economic and environmental factors in a participatory process is best suited to address the challenge of developing sustainable communities.[269]

6.8   The Process of Community Sustainability

The road to community sustainability does not end in a place. The research process resulted in a theoretical shift in that initially community sustainability was

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[266]   Marcello Veiga, Malcolm Scoble, Mary Louise McAllister. "Mining with Communities." *United Nations Natural Resources Forum*, No. 25 (2001):192.

[267]   It makes the case from the community perspective as to the benefits in engaging companies by appealing to corporate citizenship as articulated in S Waddock and N Smith, "Relationships: The Real Challenge of Corporate Global Citizenship. *Business and Society Review* 105:1 (2000): 47-62.

[268]   William F. Whyte. *Participatory Action Research,* ed. California: Sage Publications. 1991: 240-1.

[269]   Smith, 2002 and Holling, 2001.

considered in the context of a goal, something the community could achieve. The complexity of the matrix of forces, the history of dependency, regulatory regimes, and decision-making requires a collaborative approach. Companies or governments can no longer act independently, not only because communities demand to participate, but also because of increasing interdependence. For example, exploration, permitting, and operations can be hindered by communities that believe a company is violating the social contract. The use of a dialectical approach that incorporates historical as well as ecological systems of analysis provides an intriguing framework for understanding the interdependency between local, national and global social systems. It addresses the reality that local, provincial, national governments, communities and corporations are interdependent and as such they need to create connections and networks if they are to foster adaptive capabilities, innovate and create opportunities.

Kimberley has yet to synthesize individual economic, social, and environmental initiatives into one focused vision.[270] However it is important to recognize that local action alone will not address all of the barriers and allow communities to lever opportunity. The case of Kimberley demonstrates how a social contract evolved between the company, the provincial government and the community through the Sullivan Public Liaison Committee process. This presented an opportunity for local actors to become more involved in decision-making. The case demonstrates how a community can engage with corporations active in their communities, but also the value for corporations in working with local communities through processes that access local knowledge.[271] The case also reinforces the importance of area-based approaches.[272] The SPLC process has yet to be levered to ensure that "unresolved issues" do not impact the future community health, well-being and development of tourism, recreation, and amenity activities. At the same time they do not undermine the trust that the company has built over time. If the community is to build the capacity to create and test new opportunities there will need to be a shift in the way regulation is conceived from a top down process to a more

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[270] This refers to the period during which the thesis interviews were conducted.

[271] This shift to a 'bottom up' decision making framework is reflected in the perspective articulated in Furuseth and Cocklin, 1995 that 'communities of interest' "should have more direct voice in the allocation and use of natural resources" and exemplified in the their research in New Zealand.

[272] For more on area based approaches see Markey et al, 2005:302-3.

balanced approach.[273] Provincial government ministry actors are integral as mediators of public and private interest in local communities. Communities do not exist in isolation and successful economic development efforts that enhance the capacity to create, test and maintain opportunities will require a more diverse regional representation that incorporate local and linking strategies.[274]

Sustainability is a values-based concept that continues to change. Communities focus on the practicality of what it means in the local context to be environmentally sound, economically viable, and socially vital. The term "sustainability" can be interpreted in many ways, often it is used to suggest that an initiative is meeting a broad range of social, economic, and environmental values. This generality has resulted in it becoming somewhat of a buzzword. In applying the term sustainability to communities it is critical that a broad base of groups and individuals are involved in conceptualising what sustainability means in the local context. Enabling networks and creating partnerships provide opportunities to access the diverse interests of community groups and to create processes that ensure these are reflected in decisions about community development. Cross sector partnerships that link local groups with external organizations, agencies, and companies are increasingly important for communities addressing complex social, economic, and environmental issues. The challenge for communities is to discern the rhetoric from the reality to ensure that these relationships are mutually beneficial, focused, and effective.[275]

Kimberley is on the road to becoming a community that is economically viable, socially vital, and environmentally sound. Its progress towards community sustainability provides an example of the processes, the challenges, and lessons learned as the community adapts to changing conditions. It has recognized that its survival and success

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[273] Pierce, 1998; Clark, 1992.

[274] This synthesizes a number of approaches from the literature including Holling, 2001 and Markey et al, 2005.

as a community depends on "the health of land and water – and of woods, which are the keepers of water."[276] As Kimberley continues to develop infrastructure and amenities it will need to continue to address what Bryant termed as its "less tangible latent orientations".[277] These are the social and environmental problems and opportunities that have yet to be addressed, but are important to ensuring that the community will sustain citizens into the future.

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[275] This is linked to the idea of reciprocity and inherent in the discussions of trust and social capital discussed Roseland, 1998 and others. The rhetoric of cross sector partnerships is captured effectively by B Googins, S Rochlin, "Creating the Partnership Society: Understanding the Rhetoric and Reality of cross-Sectoral Partnerships". *Business and Society* 105:1 (2000):127-144. As well another aspect of the partnership challenge is the degree to which collaborations can address the issue of power and scale, addressing imbalances in knowledge, expertise, resources and skills discussed by S Waddell, "New Institutions for the Practice of Corporate Citizenship: Historical, Intersectoral, and Development Perspectives" *Business and Society Review.* 105:1, (2000):107-126.

[276] Ronald, Wright, *A Short History of Progress* (Toronto: House of Anansi Press, 2004): 105.

[277] Bryant, 1999:72.

Appendices

Appendix A:

Ethics Approval

SIMON FRASER UNIVERSITY

ETHICS APPROVAL

The author, whose name appears on the title page of this work, has obtained human research ethics approval from the Simon Fraser University Office of Research Ethics for the research described in this work, or has conducted the research as a member of a project or course approved by the Ethics Office.

A copy of the approval letter has been filed at the Theses Office of the University Library at the time of submission of this thesis or project.

The original application for ethics approval and letter of approval is filed with the Office of Research Ethics. Inquiries may be directed to that Office.

Bennett Library
Simon Fraser University
Burnaby, BC, Canada

Appendix B:

Interview Questions

For Community-based Organizations, Government Agencies, and Municipal Government (staff and elected officials)

1. What events were you or your organization/agency/department involved in?
2. What motivated you or your organization/agency/department to get involved?
3. What were your objectives for participating in the process?
4. Who was involved?
5. Are or were your objectives in conflict with those of the company/municipal, provincial or federal governments, or other community organizations?
6. What benefit did the community or your organization/agency/department gain from participating in this process?
7. How did the company assist, facilitate, or negate your involvement in decisions?
8. What were the key issues you dealt with at the beginning of the process versus at closure?
9. What do you see as your role in the future?
10. What do you think other stakeholders or communities can learn from this process?
11. What would do differently?
12. What was the specific role of citizens groups in both providing the vision and moving the plan forward?
13. What was the role of the Kimberley Community Development Society (EDO) from your perspective?
14. How important were social entrepreneurs in Kimberley?
15. What do you think are the attributes of a social entrepreneur?

For Company Executives

1. If you think back to before the decision to undertake layoffs in the 1970s and 1980s and indefinite closure in the 1990s what were the objectives of the company at that point in time?
2. What specific internal or external factors caused the company to take these actions?
3. Can you tell me specifically about the decision making process?
4. Do you think in hind site that there were any alternatives to these decisions?

5. How were the decisions communicated to the community?

6. Did the company or its representatives take any actions to mitigate the impact of its decisions on the community?

7. What role did the company head office versus Kimberley operations have in relations with the community?

8. Who took the lead in initiating and implementing some of the community development projects?

9. Can you identify key points in time that mark either culmination points or turning points in terms of company policy or corporate relations?

10. What other events led up to decisions to work more closely with the community on economic development projects?

11. Did these decisions involve a corporate policy shifts?

12. What was your role in contributing to the vision, planning or implementation?

13. Do you think participants acted as social entrepreneurs?

14. What are the specific attributes of these entrepreneurs?

Appendix C:

Other Indicator Examples

Many of the indicators below are from the "Success Factors Framework", developed by Markey et al, 2005: 305-312 referenced by permission. This source provides an excellence resource for communities interested in measurement or the development of indicators. It also provides a valuable listing of potential sample data sources.

Resource dependent communities working with mineral and metal companies would benefit from reviewing the work completed by Natural Resources Canada (NRCan) Mineral and Metal Policy Branch. It reports on indicator initiatives underway and synthesizes data from Canada, Australia, the European Union, France, Ecuador, Taiwan, the United States, the United Kingdom and Chile. The document "Compilation of Selected Minerals and Metals Sector Sustainable Development Indicator Initiatives" was in draft form as January 24, 2003. Available in PDF format, it was used as a reference tool for the Minerals and Metals Indicators workshop, held in Edmonton Alberta, February 10-12, 2003

There are a wide-range of indicators being developed for communities, some of which include the following:

INDICATOR - Community Leadership

- Integration of retirees for training and community initiatives
- Opportunities for youth for Grade 12 volunteer training
- Forums for public participation
- Mentoring programs
- Support for volunteerism
- Gender and cultural diversity of workforce
- Networking between community groups
- Community visioning

INDICATOR - Civic Engagement

- Voter participation rates
- Attendance levels at community meetings
- Community trust
- Residency rates/out migration
- Local newspaper readership
- Percentage of population that volunteers
- Membership base of community organizations

- Community centre usage
- Stewardship of recycling/water/energy
- Supporting local retailers
- Local investment.

OTHER SOCIAL INDICATORS

- Percentage of Literacy rates
- Percentage of Population with access to education and training facilities
- Percentage of education and training provided or delivered by company
- Participation rates in continuing education provided by company versus all employees
- Percentage of computer ownership versus community population
- Percentage of Internet accounts and servers versus population
- Library usage rates
- Hiring Outside: frequency and reason cited by local businesses
- Conducted Local Skills Inventory
- Infant mortality
- Incidence of suicide
- Levels of drug and alcohol abuse and the presence of programs and centres for help
- Poverty levels
- Social assistance levels
- Life expectancy
- Incidence of disease
- Demographics.

INDICATOR- Labour Force

- Labour force participation and diversification rates charted over time
- Labour productivity levels and changes, by job category
- Employment/unemployment
- Income levels and distribution

Wages and Benefits

- Ratio of lowest wage to national minimum
- Ratio of lowest wage to local cost of living
- Health and pension benefits provided to employees
- Jobs by type, charting absolute and net change
- R&D spending
- In/Out migration

- Social assistance
- Multiplier affects from investments,
- Commercial space vacancy rates
- Quality of local infrastructure
- Employment by sector
- Income by sector
- Variety of local businesses
- Presence of integrated resource management
- Value added manufacturing,
- Restoration activities
- Local purchasing
- Hiring and investment
- Affordability in comparison to other regional centers

INDICATOR - Local Control

- Number and range of locally owned business
- Growth in local employment by independent business,
- Growth in public/private ventures
- Multipliers
- Economic leakage involving money being spent outside of community
- Evidence of local buying/hiring
- Local access and control of land and natural resources

INDICATOR - Capital

- Access to capital
- Assistance in obtaining grants, credit through loans or investment,
- Locally generated funding, financing and granting, tax base

INDICATOR - Infrastructure Investment

- Sewage treatment
- Power generation,
- Buildings and facilities that are under utilized
- Heritage sites

INDICATOR - Tourism

- Cultural and service amenities include cultural programs and services
- Education facilities
- Health care services
- Recreation programs and services
- Community festivals

- Arts programs and events
- Retail and service businesses

INDICATOR - Ecosystem Health

- Soil erosion
- Waste production/disposal (on and off site management by company/community)
- Habitat degradation/preservation
- Species diversity
- Water and air quality (total water used, improvements to water sources significantly impacted by mining's use of water.

INDICATOR - Natural Resources

- Availability of minerals
- Stage in resource cycle
- Value added production.

INDICATOR - Harvesting

- Local harvesting of fish
- Forest
- Other products

INDICATOR - Ecological Amenities

- Impact on distinct or unique natural features such as
- Scenic beauty
- Integrity and health of surrounding ecosystems
- Clean air and water
- Level of outdoor and ecological tourism

INDICATOR - Stewardship

- Stewardship of the land
- Transportation
- Pollution prevention p2
- Conservation
- Restoration
- Protection

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