Northern British Columbia in an Era of Global Change

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Abstract: This article explores the profound transitions that are currently impacting northern British Columbia, a sparsely-populated, resource-rich region located in the province of British Columbia in western Canada. For over a century, the economy of this region has revolved around the production of natural resources such as timber and minerals. More recently, northern British Columbia has become a key transportation gateway and corridor connecting resources and markets in North America with Asia. The development of the Asia-Pacific Gateway and Corridor promised to bring prosperity and growth to communities across northern British Columbia. While this has certainly been the case in the larger transportation hubs in the region, smaller communities have struggled to realize the benefits of new transportation infrastructure such as the container port in Prince Rupert. Moreover, the proposed development of the Enbridge Northern Gateway Pipeline, which will link the Athabasca oil sands project in northern Alberta with resource markets in Asia, has divided the communities and inhabitants of northern British Columbia.

Introduction

For the past century, northern British Columbia has undergone a series of profound economic transitions that have shaped the lives and livelihoods of its inhabitants. Located on the periphery of British Columbia and Canada, both politically and economically, the region has nevertheless made an important contribution to the development of the province and the country, largely through the extraction and processing of natural resources for export. Historically, the majority of northern British Columbia's natural resource products¹ were exported to the United States. The recent economic crisis in the United States, however, has led to a reorientation of natural resource exports to other parts of the world. The growth in demand for natural resources in Asia has been at the heart of this economic reorientation. Concomitantly, the region has become a gateway for the export of manufactured products from Asia to markets in the North American heartland. The emergence of the Asia Pacific Gateway and Corridor has spawned a great deal of hope and

optimism in northern British Columbia. Indeed, there is a growing sense that the region is on the verge of a new phase in its development. But it remains to be seen whether these changes will allow northern British Columbia to diversify its economy and break free of the resource dependency that has characterized its economic development since the early twentieth century.

Unlike Canada's three northern territories, the Provincial Norths do not have their own regional governments² and, thus, local or municipal governments play a very important role in representing regional interests. In northern British Columbia, local governments and the communities they serve find themselves at the forefront of the global changes that are shaping the region. In recent years, their exposure to globalization has been enhanced by the broader political and economic transitions that have taken place under neo-liberalism. The withdrawal of senior (federal and provincial) governments from many policy fields over the last three decades has meant that local governments³ are increasingly responsible for promoting and managing economic development at the local and regional levels. The literature on local economic development refers to this trend as urban entrepreneurialism (Harvey, 1989; Peck and Tickell, 2002). Although such neo-liberal policy shifts occurred later in British Columbia than other parts of Canada, over the last decade communities across the province have certainly felt their impact, in both positive and negative ways. This is particularly true in the north where, historically, there has been a heavy reliance on state-led development.

This article explores the impact of recent globally-driven developments on northern British Columbia. The literature on economic development in peripheral regions tends to characterize these changes in a wholly negative light, as part of a broader critique of neo-liberalism. This study takes a more nuanced approach, which recognizes the differences in the circumstances of northern communities and their respective abilities to both weather the challenges and take advantage of the opportunities presented by globalization and neo-liberalism. At the same time, major developments that are impacting the region are also encountering considerable opposition at the local and regional levels. In addition to shaping the economic landscape of this resource-dependent region, therefore, globalization is also mobilizing local actors and unleashing powerful social forces that could impact the political development of northern British Columbia in the future.

Part one reviews the literature on local economic development, with a particular focus on urban entrepreneurialism, a concept that has been used to characterize the changing responsibilities of local governments in the wake of the neo-liberal "rolling back" of the state. In the second part of the

article, we examine the development of the northern spur of the Asia Pacific Gateway and Corridor (the Gateway), perhaps the single most important economic development in the region for the last fifty years. The Gateway has been characterized by some as transformative for the economy of northern British Columbia. It is centred around two mega-projects: the development of a container port in Prince Rupert and the transportation infrastructure that connects the port with markets in eastern North America; and the proposed Enbridge Northern Gateway pipeline project, which will link oil and gas developments in northern Alberta to export terminals on the Pacific coast. Both of these projects illustrate the powerful effects of globalization and neo-liberal policy on the economy of northern British Columbia, and on the local governments that are increasingly responsible for engaging in economic development.

Globalization, Neo-Liberalism, and Government in Northern British Columbia

The term globalization has become such a ubiquitous and accepted part of our contemporary lexicon, yet it remains the subject of intense scholarly debate. While it is not our intention to offer a single definition of this term, we do want to point out several features that are relevant to this particular study. First, globalization can be defined in both narrow and broad terms. Some scholars see globalization in largely economic terms, as "the increasing linkage of national economies through trade, financial flows and foreign direct investment (FDI) by multinational forms" (Gilpin, 2003: 61). Although economic forces are important drivers of globalization, others argue that the reach of globalization extends beyond economics to affect society, culture, and politics (Tomlinson, 1999).

Second, it is important to recognize that globalization at the start of the twenty-first century, centred on advances in transportation and communications, is only the latest in a series of global changes that have influenced the world over many centuries. The current wave of globalization is broader in terms of scope and intensity, but it replicates many of the political, economic, and social impacts of earlier waves of globalization. This is especially true in terms of the impact of global trends on northern, peripheral, and remote areas, which produce the natural resources that fuel the global economy.

Third, one of the defining features of contemporary globalization is its decidedly *neo-liberal* orientation. This is, of course, evident on a global scale through the activities of international organizations such as the International Monetary Fund and the World Bank. The dominance of the neo-liberal

paradigm has also been observed at the national and even local levels. As an idea or ideology, neo-liberalism represents a "rollback" of the state in terms of direct interference in the market, and the "roll out" of new institutions and relationships that entrench the grip of neo-liberal policy over the political and economic order (Young and Matthews, 2007). Supporters of neo-liberalism argue that such policies encourage economic growth and development by freeing the market from state intervention. Critics, however, assert that neo-liberalism exposes society to market forces resulting in greater inequality and hardship for the most vulnerable.

For local governments, specifically, the consequences of this new trend in economic development have been "downloading" and "off-loading." Downloading involves the cascading transfer of responsibilities from senior governments (federal and provincial) to local governments and citizens. While such transfers can often empower local governments and citizens, by freeing them from the bureaucratic tutelage of senior governments and allowing them to make decisions that fit better with their particular circumstances, they rarely come with the transfer of resources to pay for new responsibilities. Off-loading, on the other hand, involves the departure of senior levels of government from certain policy areas and programs. Often, the services in these areas and programs are essential to the well-being of communities, so local governments and not-for-profit organizations are left to pick up the pieces.

Alongside these changes, or perhaps because of them, a third trend has emerged, namely *urban entrepreneurialism* (Peck and Tickell, 2002; Harvey, 1989). In a context of downloading and off-loading, local governments have become central actors in the economic development policy community (Dewees, Lobao, and Swanson, 2003). While it is true that local governments have always played a role in economic development, as Harvey notes, since the 1970s, there has been a profound shift in the focus of urban governance from "managerialism" (with a focus on service provision) to a preoccupation "with the exploration of new ways in which to foster local development and encourage employment growth" (Harvey, 1989: 1). In the past, this trend primarily affected cities and large, urban areas. Increasingly, however, smaller places, in northern, remote, and rural regions are also trying and, in many respects, are being forced to become more entrepreneurial.

In British Columbia, urban entrepreneurialism has developed primarily because the provincial government has shifted away from its traditional role in economic development. In the period from 1950–1980, the government of British Columbia, like provincial governments across Canada, took a keen interest in the development of its northern and remote regions (Weller, 1981).

Referred to as the era of "province-building," this state-led development was consistent with the Keynesian orthodoxy that dominated economic and political thinking at this time. Moreover, provincial governments became aware of the huge resource potential of their respective northern regions and, as Weller (1981: 53) has pointed out in his seminal article on local government in the Canadian Provincial North: "the increasing decentralization of the Canadian federal system has made all of the provinces rather more jealous of their rights and responsibilities."

In addition to focusing the attention of the southern-based government on the north, province-building in British Columbia during this period also created a strong social contract between the Provincial North and the south. Under W.A.C. Bennett, premier from 1952–1972, the provincial government invested heavily in infrastructure and in community building throughout the north. In fact, many small communities grew up around the extraction and processing of northern resources, as provincial policy encouraged, and even legislated, such development. For example, policies such as "appurtenancy" required that trees had to be milled a certain distance away from where they were harvested and, in doing so, created the context in which small, northern communities could be developed and sustained (Van Adrichem, 2008).

By the 1980s and 1990s, however, economic orthodoxy had started to shift away from Keynesianism and state intervention, and towards neoliberalism. In Canada, this was evidenced by the rolling back of the state in the name of fiscal austerity and balanced budgets, first by the federal government under Brian Mulroney and Jean Chrétien, and then later by provincial governments. It was also apparent in the rolling out of new, neoliberal policies such as free trade, which entrenched the power of the free market at the expense of governments and the state. In British Columbia, this neo-liberal revolution occurred later, because a series of social democratic governments held power in the 1990s. The resounding victory of the BC Liberals under Gordon Campbell in 2001 ushered in a new era of neo-liberal politics. In addition to drastic cuts in a range of social services, state-led policies such as appurtenancy were abandoned in the name of market competition.

In this context, therefore, local governments across the province found that the state was retreating from formal and direct involvement (rolling back) in economic and regional development and was instead encouraging the creation of new entities and organizations that could promote development and diversification (rolling out). These included arms-length economic development agencies that were often funded but not directly controlled by government, and the promotion of public-private partnerships. The Campbell

government also promoted the idea of greater local government autonomy through its Community Charter; although many local government officials would argue that it did not go far enough and the responsibilities that came with greater autonomy were not matched with greater levels of funding or revenue-generating powers (Long, 2005).

The scholarly literature on these reforms is decidedly critical, tending to view their consequences as negative for local governments and the communities they represent (Peck and Tickell, 2002). Our interpretation is more nuanced and recognizes the different capacities of communities to take advantage of the opportunities presented by deregulation and the rolling back of the state. Of course, larger cities have greater human and financial capacity, as well as larger economies of scale, to take on new responsibilities in areas such as economic development. Smaller, more remote communities tend to struggle, unless they have some kind of unique feature around which they can focus their economic development. Northern communities are also impeded by geographic factors such as distance and isolation, which affect their ability to take advantage of economies of scale, as well as a general lack of capacity that is common in smaller communities. Clustering, an economic development strategy that seems to works in tightly-knit and populous conurbations, is simply not possible in widely-dispersed, sparselypopulated, northern regions.

This does not mean, however, that northern communities shy away from the challenge of economic development. As Weller (1981) has noted, even during the period of state-led province building, local governments across northern Canada were agitating for greater autonomy and control over resources so that they could engage in economic development on their own terms. Indeed, there is a strong current of libertarianism that runs through many communities in northern British Columbia. It is true that, historically, these communities have tended to rely more heavily on government support. At the same time, they are also skeptical of "southern-based" governments telling them what to do and how to do it.

It is also apparent that the shift towards neo-liberalism and urbanentrepreneurialism has affected communities in northern British Columbia differently, depending on their circumstances. As we will illustrate, some communities have been able to position themselves to take advantage of the opportunities offered by the Asia Pacific Gateway and Corridor, whereas others have yet to see any discernible change in their economic circumstances (McCormack, 2012). In fact, one could argue that some communities have been hurt by the Gateway, as resources, investment and, most importantly, human capital gravitates towards larger hub communities that serve as nodes along the northern corridor (Wilson and Summerville, 2008).

Prince Rupert Port Development

One of the most important developments in northern British Columbia over the last decade has been the construction of a container port at Prince Rupert on the Pacific coast. Although policy decisions and support from senior levels of government created the context for this development, it could be argued that the impetus for the development of the port came from local and regional actors who were anxious to benefit from the growth in trade with Asian economies. Interestingly, the port development has a long history in the community. In the early twentieth century, the president of the Grand Trunk Pacific Railway, Charles Hays, wanted to build a port at Prince Rupert, the western terminus of the railway, in order to develop the silk trade between North America and the Far East (Young, 2008: 52). The bankruptcy of the Grand Trunk Pacific Railway and the lack of provincial interest in developing the port, coupled with Hays' untimely death in the Titanic disaster, scuppered the idea.

In the 1970s, the development of a grain terminal (mainly for the export of prairie wheat) at Prince Rupert became part of Alberta's province building plan (Young, 2008: 56). Ultimately, however, the grain terminal was "hindered by high debt costs and high municipal taxes" and "more importantly, grain exports diminished considerably by the late 1990s ..." (Young, 2008: 56), making the terminal less than a viable proposition. In 1970, when the port seemed to offer more potential for supporting the provincial economy, particularly in support of developing a coal industry, the British Columbia government took interest. Ridley Island Coal Terminal was built, but it too was plagued by high construction costs and it required an investment by the federal government in order to reach completion (Young, 2008: 56). Later, the terminal became a white elephant for the federal government when the coal industry was hit by a downturn. In the 2000s, it also became the centre of a controversy when the federal government tried to sell it off for a ridiculously low sum of money as a part of its devolution and divestiture program for federal property (Summerville, Wilson, and Young, 2013).

The sale of Ridley Terminal was seen by some as an indication that the federal government had "missed the boat" on Asia. There appeared to be a real lack of federal government vision to recognize the potential of the port in terms of linking Canada to Asia. Many watchers of the global economy lamented the slow, if not completely absent, strategy of the Liberal governments of both Jean Chrétien and Paul Martin, to take advantage of an Asia Pacific trade policy. When the Conservatives came to power in 2006 they stopped the sale of Ridley Terminal and fully embraced the Asia Pacific Corridor trade development.

In the meantime, however, the previous Liberal government's divestiture program had also included a process of devolving administrative control over key pieces of transportation infrastructure to local port and airport authorities across Canada (Ircha and Young, 2013). So while the sale of Ridley was seen as short-sighted, this devolution of authority was seen as a potential opening to revive Hays's dream for Prince Rupert. The local economy of Prince Rupert was in desperate trouble after the bailout of a local mill by the municipal government failed to revive the community's fortunes. The population had declined significantly and the community had little secondary industry to create significant employment. Tourist dollars and the fishing industry alone could not sustain the floundering local economy.

In 1999, the port authority, now under more local and experienced management, decided to press for the development of a large container port that could rival those in Vancouver and the west coast of the United States. Such a development would take significant federal, provincial, and local investment. The municipality and the port authority took the idea to the provincial government and found a warm reception on the part of the newly elected BC Liberals. Collaborating with a private terminal operator, Maher Terminals Inc., and Western Economic Diversification Canada, a federal agency that "works to strengthen western innovation, business development, and community economic development" (Western Economic Diversification Canada, 2012), the port authority promoted the benefits of the port for Prince Rupert, the region, Canada, and North America. As it turns out, Prince Rupert is ideal for a large-scale container shipping port because it has one of the deepest natural harbours in North America and is the shortest distance between the west coast of North America and Asia. It also has relatively uncongested transportation connections to markets in eastern North America (Prince Rupert Port Authority, 2014). The port opened in 2007 and has continued to expand ever since, despite the global recession.

It is important to note that the benefits of the port development, real and perceived, were not limited to Prince Rupert. The port has spurred development in other parts of northern British Columbia and has the potential to serve as a conduit for the export of local products, including lumber, pulp and paper, and minerals. Given the lack of storage space in and around the port facility, an inland port was opened by the Canadian National Railway (CN) in Prince George⁵, in the central interior of the province, in 2007. As urban entrepreneurs, therefore, Prince Rupert and Prince George

have becomes exemplars. Significant credit for the port developments in both communities was given to local economic development agencies as well as the local port authority and local businesses. Local governments for both communities were also key actors in the port developments and significant players in the intergovernmental negotiations that provided the basis for broad co-operation.

The overall Gateway strategy has brought together a number of state and non-state organizations that are working to foster, among other things, broader regional collaboration. Regional competition and infighting in northern British Columbia is well-documented (Coates 1994/1995; Kennedy, 2005), and yet the rollback of the federal and provincial state has created opportunities for regional co-operation in terms of driving forward development projects in the north. For example, the Northern Development Initiative Trust (NDIT) is a provincially funded body that supports economic diversification in northern and central British Columbia. The Board of the NDIT is comprised of mayors, councillors, and area directors of northern communities. Its mandate is to be "a catalyst stimulating economic growth through investments in grassroots, community-led projects" (Northern Development Initiative Trust, 2012). Moreover:

The Northern Development Initiative Trust board, regional advisory committees and staff have a passion for growing the economy of central and northern British Columbia. When the Premier of British Columbia announced the Northern Development Initiative Trust, it was on the premise that, "The best economic development decisions for the North should be made in the North." (Northern Development Initiative Trust, 2012)

In the case of the NDIT, the state has found a way to fund infrastructure and programs without the provincial government being the lead agency. Such agencies have the potential to empower northerners, giving them more control over development and, at the same time, facilitating greater regional collaboration. Other organizations have also played a prominent role in fostering regional co-operation and development. The Northwest Corridor Development Corporation (NCDC) is a federal non-profit organization aimed at "advancing trade" through the corridor. Its board includes representatives from the transportation industry, mayors, economic development officers, councillors, and regional directors (Northwest Development Corridor Corporation, 2014). Similarly, the 16/97 Economic Alliance, named for the two highways that intersect in northern British Columbia, is another organization

that works to develop a regionally-based cluster, linking communities across a geographically diverse and vast region (16/97 Economic Alliance, 2014).

While the prospects for broader regional entrepreneurialism seem positive, it appears that only two communities, Prince Rupert and Prince George, have realized tangible gains from the Gateway and Corridor project. Other, smaller communities in northern British Columbia have yet to feel the positive effects of the gateway and corridor. Indeed, for many communities between Prince Rupert and Prince George, the corridor (which suggests a long hallway with many access doors) seems more like a closed tunnel.

Containers are shipped from Asia to Prince Rupert where they are loaded onto a train and sent through to destinations in eastern North America. Sometimes the containers stop in Prince George to be reloaded and rerouted. Often, however, exporter/importers are concerned mainly with getting containers to and from their destination as quickly as possible and not with transporting products from small, regionally-based manufacturers. In her study of the Gateway's impacts on Smithers, a small community roughly half-way between Prince George and Prince Rupert, Kelly McCormack (2012) outlined a number of challenges that entrepreneurs in the town face in trying to reach the intermodal terminal in Prince Rupert. Interviewees noted that "CN Rail is not interested in small shipments" and "small businesses are not able to deal directly with CN Rail." In fact, the community finds it "easier to deal with Vancouver for small ... shipments." Moreover, alternate plans to have businesses ship their goods to the Prince George intermodal facility was viewed as "inefficient and costly" (McCormack, 2012: 43–45).

The Enbridge Northern Gateway Pipeline

The most recent phase in the development of the Asia Pacific Gateway and Corridor is the proposed Enbridge Northern Gateway Pipeline. If constructed, this pipeline will connect the multi-billion dollar oil sands development in northern Alberta to a terminal on the Pacific coast at Kitimat. As with the Prince Rupert container port, the Northern Gateway pipeline has been presented as a significant economic development for northern British Columbia. Unlike the port development, fears of a potential environmental disaster stemming from a pipeline rupture have hindered an "across the board" endorsement by northern communities. Whereas communities were willing to sign onto the Prince Rupert port development because they did not perceive any immediate downsides, there are clear risks associated with the Northern Gateway project. There are two areas of dispute: uncertainty concerning the real economic benefits and fears about the environmental impacts of the pipeline.

The Enbridge pipeline has sparked considerable division across northern British Columbia as well as through the corridor. Alberta's attempt to move diluted bitumen from the Athabasca oil sands to the Pacific coast for export to Asian markets has been met with opposition by many British Columbians. Even the Premier, Christy Clark, has expressed concerns, commenting that the pipeline, as proposed, "poses too much environmental risk while not offering enough economic benefits" (Fowlie and Hoekstra, 2012).

In a CBC profile of the Northern Gateway project, it was projected that pipeline construction could bring as many as 3,000 short-term jobs to the province, but operating the pipeline will only require about 34 workers (CBC 2012a). Moreover, British Columbia only anticipates receiving about 8% of the revenue generated from the pipeline (CBC 2012a). How much of that revenue actually comes back to northern British Columbia is also uncertain.

Despite these facts, there is still some support for the pipeline at the regional level. The short-term impact of 3,000 jobs being created in the region is a considerable lure. As the forestry industry has declined throughout northern British Columbia, hopes for resource jobs have been directed toward other industries such as mining and oil and gas extraction. Communities across the north, however, are hungry for other opportunities. The difficulty is that there are very few opportunities for diversification and thus these short-term projects can be life savers for some smaller communities. Often communities are caught between "a rock and a hard place." For example, after being impacted by the loss of a mill to fire in 2012, the Burns Lake Indian Band declared that it was willing to "take a second look" at participating with Enbridge on an equity agreement because without the mill, the community had few options in terms of jobs or economic development (CBC 2012b).

That said, other communities have declared their opposition to the pipeline. Prince Rupert City Council voted unanimously to oppose the pipeline (Hale 2012). In this case, the city council had the same concerns as Christy Clark: lots of risk and little benefit. Despite that fact that Prince Rupert is the connector to the Asian market, the council appeared to be unwilling to risk a potential spill in northern British Columbia's coastal waters. Other northern communities, including Kitimat and Smithers, have followed suit, passing symbolic resolutions against the development of the pipeline.

In fact, the key dividing factor in the debate seems to be the level of risk any one community or individual is willing to take. Some are simply not willing to take any risk to the environment and others seem to want some assurances that Enbridge has a plan for dealing with potential spills. Thus, it is important to any analysis of resource development in northern British Columbia to be aware of the diversity of opinion and the level of support among the different

actors. For example, media reports suggest that First Nations are wholly against the pipeline project. But while some have been very vocal in their opposition, others have signed onto the project. In other cases, communities are divided. In December 2011, the leadership of Gitxsan in the northwest of British Columba "announced it had accepted Enbridge Inc's ... offer of an equity stake" in the project (The Canadian Press, 2011). Yet, a group of other hereditary chiefs later "denounced the agreement" (The Canadian Press, 2011). One of the factors that makes the situation even more complicated is the fact that most of northern British Columbia is subject to ongoing treaty negotiations between First Nations and the Crown. As such, there is very little land certainty and, environmental concerns aside, First Nations are reluctant to move ahead on big projects because they could affect the outcome of treaty negotiations. Moreover, as in non-Aboriginal communities, the lure of jobs and economic development associated with the pipeline may also drive a wedge within and between First Nations communities. At this point in time, the outcome of the pipeline project remains uncertain, even though it was approved by the federal government in June 2014, "subject to 209 conditions recommended by the National Energy Board and further talks with Aboriginal communities" (Payton and Mas, 2014). As noted above, however, mounting opposition to the pipeline at the local level (as well as from elsewhere in BC, Canada, and globally) could make it very difficult for the project to go ahead. The project also faces a shifting and unstable landscape, with the 2014 Supreme Court of Canada ruling on Aboriginal title involving the Tsilhqot'in First Nation and the subsequent political and legal mobilization of other First Nations across northern British Columbia, including the Gitxsan and the Gitxaala First Nations, against development on their traditional territories (Moore, 2014).

Conclusions

This study reveals that a number of important political and economic changes are taking place at the regional and community level in northern British Columbia as a result of globalization, neo-liberalism, and the continued involvement of senior governments in the politics and economy of the Provincial North. In the case of the development of the northern spur of the Asia Pacific Gateway and Corridor, the impetus for change emanated largely from the local level, as key actors in the community, including local governments, took advantage of decisions made earlier by senior levels of government to devolve control over ports to the local level. This local entrepreneurialism brought together a broad coalition of public and private actors to effect change. Following the opening of the Prince Rupert port in 2008, other communities displayed similar entrepreneurial tendencies as they sought to benefit from the changes that were taking place in the region. Although many communities have had trouble connecting with the corridor, the port development has spawned a series of regionally-based development organizations and networks whose goal is to create greater regional cohesion and to empower northern communities. Such regional entrepreneurialism is essential for the future development of northern British Columbia, as many smaller and geographically isolated communities lack the capacity to effectively engage in economic development on their own.

Like the port development, the Enbridge Northern Gateway pipeline project is also a product of globalization and decisions made by senior governments. The proposed pipeline, however, has met with stiff opposition from local actors, who are concerned about the environmental consequences of building a pipeline across an ecologically-sensitive wilderness. For some, it is not clear whether the economic benefits in terms of employment and tax revenues will have a lasting and direct benefit to the region that outweighs the environmental risk. For others, it appears that no amount of economic benefit is worth the environmental risk. Given the strong opposition to the proposed pipeline, one outcome of this project is that it could become a catalyst for greater regional co-operation.

While northern British Columbia, like many other parts of the Provincial North, is clearly at the mercy of powerful economic and political forces and has very little capacity or autonomy to chart its own course, it is also true that the communities of this region have demonstrated a remarkable resiliency and entrepreneurial spirit in the face of some major political and economic changes. Whether these changes will lead to greater regional co-operation, or even demands for greater regional autonomy, remains to be seen. What is clear is that globalization has unleashed some powerful, local forces that could provide the political impetus for these types of developments in the future.

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Notes

- 1 The economy of northern British Columbia is dominated by the forestry sector. Exports of timber products, mainly to the United States, have been the most important driver of the northern economy. In recent years, however, the resource economy of northern British Columbia has begun to diversify, both within the forestry sector (with exports of timber products to Asia) and outside this sector (increased mining, and oil and gas development).
- 2 The exception to this rule are the autonomous Inuit regions on Nunavik in northern Quebec and Nunatsiavut in northern Labrador.
- 3 British Columbia has two types of local government: incorporated municipalities (cities, towns, and villages) and regional districts. Regional districts include incorporated municipalities and unincorporated settlements.
- 4 In some cases, provincial austerity was a reaction to cuts in intergovernmental transfers from the federal government. In other cases, however, new governments were elected that believed in smaller government and took steps to reduce government influence in the economy and society. A case in point was the "Common Sense Revolution" of the Progressive Conservative government under Premier Mike Harris in Ontario in the mid-1990s.
- 5 As a transportation hub in central BC, Prince George is ideally placed to be the location of the inland port.

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