

# Overcoming the Peaks and Valleys of Resource-Dependent Economies: The Frontier History

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**The histories of Hinton** and Grande Cache, located on the western slopes of the Canadian Rockies in west-central Alberta, are rooted primarily in their importance as transportation routes for aboriginal tribes, trappers and travellers. The name Grande Cache comes from an Iroquois fur trapper, Ignace Gausson, who, in the early 19th century, established a large fur cache in the area. Hinton was named for William D. Hinton, general manager of the Grand Trunk Pacific Railway at the beginning of the 20th century. With the coming of the railroad, settlement and industry, these communities became increasingly important for their resources: furs, timber, coal, oil and gas. Over time, Hinton and Grande Cache became dominated by the resource industries that provided the majority of employment. As a result, quality of life in the region has often been affected economically and socially by the economic peaks and dips controlled by market forces far beyond their boundaries. The communities have had to bend to the needs of industry, not the other way around.

While resource industries were the primary draw for immigration to the area, many other people came for the remote location, the proximity to nature and the distance from urban centres further east. Today, these towns boast many lifestyle advantages over urban centres because of their proximity to natural and forested areas, including

Jasper National Park, many world-class recreational sites and the scenic Athabasca River. In addition, many of the workers in the resource industries enjoy higher-than-average incomes: the median family income is \$82,069 compared with the Alberta average of \$73,823, while more than 26 per cent of the adults earn more than \$60,000 per year compared to the rest of Alberta at 18.7 per cent (source: 2005 Census of Canada).

## Unique Rural Challenges

Hinton, 270 kilometres west of Edmonton, has about 9,700 residents and is a regional hub for the area and a major thoroughfare on the Yellowhead Highway. Grande Cache, with about 4,000 residents, is located 143 kilometres northwest of Hinton. They have seen substantial growth in the retail, business and service industries, including hotels, restaurants and major retailers such as Safeway and Wal-Mart. However, significant challenges are created by income disparity. Employees of resource industries generally earn higher incomes and enjoy good benefit programs, while workers in retail and service jobs generally make much less and have fewer benefits. Because the resource industries are the primary employers in both communities, Hinton and Grande Cache are subject to social stagnation as generations of families work within the same industries with little or no entrepreneurial growth. The lure of high wages associated with shift work often discourages citizens from seeking a

post-secondary education, which further limits economic diversification.

Both municipalities face typical rural issues such as long distances to urban centres, a lack of comprehensive educational programs and a shortage of medical specialists because of the limited population base. They also face many of the challenges that affect urban

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centres, such as housing sprawl, increasing income and social segregation, infrastructure deficits and growing environmental stresses regarding landfills and recycling. Health issues caused by an aging population and increasing obesity rates are a growing concern, as are social issues such as drug use, alcohol abuse, gambling and online gaming reducing the activities of their youth.

To address these challenges and to promote the natural and rural advantages their communities offer to individuals and businesses, Hinton and Grande Cache have



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decided to work together to investigate their objectives and options for social, economic and environmental sustainability. Unlike many resource-based communities that are forced to address these issues once an industry closes or moves away, these two communities are enjoying growth in their industry base as well as in their populations. They are choosing to address their future sustainability in part because of the projected growth in population and the greater demands it will bring.

### The Collaboration

Hinton and Grande Cache have teamed up with researchers and faculty from Athabasca University (AU) and Grande Prairie Regional College specializing in the areas of business, social studies, education and community engagement to explore options and, ultimately, provide a road map for the two communities. The three-year, \$800,000 co-operative research project was launched in early 2010.

This unique mixture of post-secondary researchers, representatives of the local college and municipal leaders joining together to investigate and recommend best options for the future represents a new approach to the challenges of long-term sustainability faced by rural municipalities. Each partner in this collaborative project will bring a different knowledge base to the group, from practical experience in municipal issues and resource industries to theory in environmental and social issues. Many of the academics involved have experience with similar studies elsewhere around the world, while local representatives will provide a clear understanding of the needs and priorities of their communities.

One of those priorities is housing costs, which, pushed up by the larger incomes from the resource industry, make home ownership difficult for lower-income workers and new hires. The project will investigate alternative financing options to make houses more affordable and the communities more attractive to future residents.

Another challenge created by high shift-work wages is their effect in discouraging workers from taking entrepreneurial risks. Researchers will look at ways to promote and diversify entrepreneurial ventures, for example, by analyzing what imported products could be manufactured locally or alternative uses of local resources. They will also look at the plausibility of encouraging entrepreneurship and homeownership through local investment, which could provide a respectable return for investors and create more value in the communities.

### The Process

As a crucial first step, the municipalities asked for community input on visions of a sustainable community. Grande Cache undertook this in 2006, and Hinton in 2009, through online polls and listening to citizens and business owners in homes, coffee shops, boardrooms and meeting halls. Community members contributed enthusiastically with needs, plans and suggestions. Among the ideas were better access to post-secondary education, more opportunities for recreational activities such as walking and biking, a greater number of venues to host arts performances and other events, and a move towards greater economic diversity. This feedback has provided both town councils with the focus and impetus

to move forward and investigate their best options for a more sustainable future.

The next step in the collaborative partnership was a conference in Hinton in May 2011 called Setting the Stage, which brought together key stakeholders to discuss the communities' needs and wishes. Setting the Stage provided the group with the information needed for researching the best options to move forward.

### The Future

The plan looking forward includes creating a community resource package, hosting a followup conference expected in early 2012, researching further into specific options and alternatives for development and sustainability, and organizing a final action conference to present the results and recommendations from the research.

By investigating and comparing experiences in other resource-based communities, as well as doing in-depth research into options for addressing the needs and priorities of town residents, researchers will create a series of recommendations outlining potential outcomes and benefits. Through this collaboration, the group will create a road map toward long-term sustainability planning — one, it is hoped, that will ultimately be a template for other communities.

The municipalities of Hinton and Grande Cache and the research partners at Athabasca University and NorQuest College are working towards creating culturally and economically diversified communities that can balance the peaks and valleys of resource-based economies and provide friendly, safe and sustainable places to live and work.

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