



Rethinking Community Development: The Economic Value of Import Replacement in Atlantic Canada

STUDY UPDATE

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Import
Replacement:

Fixing the 'Leaky
Bucket' of the local
economy?

Two Framing Questions

1. Where are the “leaks” in Atlantic Canada?
Are there imports begging for replacement with locally produced goods / services?
2. What are the social, cultural and political factors that might help or hinder import replacement as a strategy for increasing community resilience?

Two-Pronged Study

1. Michael Shuman's IMPLAN report (where are the leaks?)
2. Community case studies (focus groups, interviews) in:
 - Burin Peninsula, NL
 - Miramichi, NB
 - Shelburne, NS
 - Souris, PEI

IMPLAN Analysis

- Looks at the “trade balance” in dozens of sectors in each province (imports vs. exports);
- Identifies how “self-reliant” we are in each sector;
 - *Self Reliance* = producing enough here to satisfy local demand
 - If we produce 100 lbs of apples but people consume 1000 lbs of apples, we’re only 10% self-reliant
 - This sector would be a good IR opportunity. Plenty of local demand, currently met with imports.

How Leaky Are We?

	NB	NF	NS	PEI	Region
Current Spending on Local Production	\$23,338,732,512	\$19,247,747,019	\$29,585,967,010	\$4,312,743,116	\$76,485,189,656
Additional Production for Self-Reliance	\$19,390,351,209	\$11,982,794,457	\$15,750,693,430	\$3,405,433,886	\$50,529,272,982
Total Demand for Local Production	\$42,729,083,720	\$31,230,541,477	\$45,336,660,439	\$7,718,177,002	\$127,014,462,639
Rough Level of Leakage	45%	38%	35%	44%	40%

The 10% SHIFT

What if we spent 10% more on local goods & services?

	Employment	Labor Income	Total Value Added	Output	Indirect Business Taxes
NB	14,502	\$907,680,544	\$1,827,838,866	\$3,920,039,749	\$84,636,950
NF	10,314	\$619,305,559	\$1,096,394,617	\$2,301,768,460	\$53,036,832
NS	15,000	\$877,251,772	\$1,462,788,865	\$3,163,562,185	\$67,262,890
PEI	3,443	\$193,876,276	\$314,718,331	\$631,884,283	\$14,476,151
Total	43,259	\$2,598,114,152	\$4,701,740,679	\$10,017,254,676	\$219,412,822

Focus Groups

- Burin Peninsula, NL; Miramichi, NB; Shelburne, NS; Souris, PEI
- In each locale:
 - 1 FG with Business and Government (Biz-Gov)
 - 1 FG with other residents (Community)
- Pursuing the question: what constrains and enables import replacement in these places?

Emergent Themes

- There are “rural ways of life” that matter, eg:
 - Outmigration and relocation for work might be expected and accepted;
 - Informal economy (‘working under the table’) is also accepted;
 - There are qualities of life and community that many rural residents are not willing to sacrifice to economic growth... *and that is okay.*
 - People’s everyday lives might span multiple communities—travel to a neighbouring community for goods and services can be acceptable and sustainable.

Emergent Themes

- Everybody (else) is risk-averse:
 - Difficult to find or attract staff
 - Regulations and red tape
 - Hard to compete in a “shrinking development space” (Wade, 2003)
 - Insurance and liability costs
- However, hard to find the person who has the capital to start a business but is too scared.
 - Is it “risk” or is it really impenetrable barriers?
 - Rural places are actually more entrepreneurial than urban
 - This is **not** about attitudes

Emergent Themes

- Imported goods and services are often cheaper and easier to find than local ones
 - People *want* to support local but this doesn't trump convenience and thrift
 - Sometimes people and businesses aren't aware of locally-made alternatives to imports
 - “Buying local” often attaches itself to *things*, but not *services*; there is a mental block. Many professional services must be sought in other communities.

Emergent Themes

- Rural residents tend to think of tourism first, and think of ways to “market the place” to tourists and new residents
- As a repopulation strategy it makes sense: things like beauty and quiet can be eternal, while jobs come and go.

Have job, will travel

“I think the economy right now is depressed and there are challenges, but I don’t think it’s on the decline. I agree with Barb, that...now we’re in a position where we can rebuild, but with *new economies*. ...As the only millennial at the table...and someone who’s worked all across the country and travelled for my work...**tomorrow’s economies are not probably going to be yesterday’s economies**, right. So **if we keep thinking that we’re going to open three more mills again...I don’t necessarily think that *is* going to be the future**. But there are a lot of opportunities...as someone who worked in media, had to come home for personal, family reasons...**I’ve found a way to do a lot of the work I used to do in Montreal, but it’s creative work, so it’s all writing and planning...and you can do it here**. And a lot of the work I do is for contacts and former colleagues in Montreal.”

Plugging the leaks

- Get local people, businesses and institutions to *purchase* more things locally, through a combination of:
 - gentle incentives (better prices? Discounts? Subsidized advertising?)
 - more forceful legislative change (making local goods cheaper through tax and tariff change, easing regulations)
- Get rid of the “biases” against local businesses—redirect funding away from “corporate attraction” and toward local biz support (Shuman)
- Focus on:
 - Retail and wholesale (food and tourism!)
 - Professional services
 - Manufacturing (esp. things with local demand e.g. fishing rope)

Emergent Themes

- Food production is a huge and obvious import replacement opportunity
 - Restaurants and B&Bs cannot get the produce they want locally; it needs to be fresh and reliable.
 - Some food that is grown or harvested (farmed or fished) locally is shipped out for processing and then shipped back. (The most ridiculous leak?)