

# Industrialization and Rural Development: Contrasting Labour Markets and Perceptions of the Future on the Bonavista Peninsula and Isthmus of Avalon, Newfoundland

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# Industrialization and Rural Development: Contrasting Labour Markets and Perceptions of the Future on the Bonavista Peninsula and Isthmus of Avalon, Newfoundland

PETER R. SINCLAIR

## INTRODUCTION

WHAT IS THE IMPACT of rural industrial development on the lives of neighbouring people? More specifically, what is the impact on employment patterns for men and women, standards of living, migration plans and other visions of the future? How does their experience compare with others who have not undergone similar change? In this paper, these questions will be addressed in a study of two contrasting areas of the island of Newfoundland, one fishery-dependent with a battered local economy, the other more diversified and vibrant. My objective is to account for similarities and differences in the experiences of their residents.

This paper is part of a large, interdisciplinary study designed to identify how it is possible to sustain both people and nature in cold ocean coastal environments, such as we find in northeast Newfoundland (Ommer 1998). Our research was built around the concept of assemblage, a term which refers on a regional scale to the interaction of populations with each other and the natural environment. We focussed on the assemblages connected to the headland of the Bonavista peninsula and the isthmus of Avalon. The former is an area whose economy depended for centuries on the northern cod stocks, which have now all but disappeared, although economic activity was never limited to a single species or to the fishery alone. The second area, one of the few in rural Newfoundland that does not depend mainly on

the fishing industry, provides an example of industrial diversification. In addition to a modern fish plant, at the time of our research, the isthmus economy also relied upon oil refining and oil-related construction.

In answer to the boom and bust problem of areas that rely on extraction of a natural resource or the success of a single industry it is common to recommend a strategy of economic diversification because this is thought to spread the risk of unemployment across industries with different characteristics and provide local people with greater occupational choice. An especially pertinent illustration is the following statement from the Newfoundland and Labrador government's Economic Recovery Commission (1994:12):

We have to concentrate our energies on developing a new economy in Newfoundland and Labrador, an economy that is more diversified, more dependent on private sector than public sector activity, more entrepreneurial and more market-driven. We must develop new industries and we must modernize our old industries...

In addition to the development of new industries, economic diversification is a broad term that also includes enterprises of varying technologies, size and form of organization. In this case study, the isthmus of Avalon is an example of industrial diversification based on large-scale production facilities. Thus any social impact may be conditioned by this particular form of development.

What actually happens when new industries are brought in? Who benefits? This study looks at these issues because we cannot assume that any new industry will be a panacea, a general solution to all issues of local economic development. The positive impact of economic development on local society depends in large part on the capacity of the new industry to absorb local labour and to stimulate other local businesses. If new industry forms an isolated enclave with its labour force and operating supplies almost entirely imported, there is likely to be much local resentment and frustration. It is also possible that economic gains might be made at the expense of other factors that affect people's quality of life, of which degradation of the environment is among the most obvious.

Was the industrialization of the isthmus associated with a more vibrant labour market and a higher living standard than on the fishery-dependent Bonavista peninsula? I shall demonstrate that this was true in some respects, such as labour force participation and incomes for men, but there was no obvious direct economic benefit to women and rough measures of household material possessions showed little difference between the two areas. I argue that the gains on the isthmus were due mainly to the well managed fish plant and a revitalized oil refinery rather than to the construction of a gravity-based oil platform, despite the much larger scale of the construction site. The construction site was part of a mega-project, the development of the Hibernia oilfield, and its operators had no long-term need for either local labour or supplies. In comparison, the Bonavista peninsula exhibits much

higher unemployment, lower incomes and loss of population. Would the depressed nature of the Bonavista economy translate into a more negative attitude to living there, greater pessimism about the future, and a greater inclination to leave? I shall establish that the similarities are more striking than the differences.

The paper proceeds with a brief review of relevant development theory and a summary of the data collection process. The next two sections provide short sketches of each area. With this information as context, the core of the paper examines labour markets, standards of living and attitudes to the future. In conclusion, some issues are raised regarding the implications of this analysis for theorizing about development.

## THEORETICAL PERSPECTIVES

Theories of economic growth and development are relevant to this study of diversified and declining rural areas. Much of this literature is concerned with why some areas expand earlier and faster than others.<sup>1</sup> Generally, the models are highly abstracted, set on a macro scale rather than applicable to comparing micro-regions. In an earlier critique, I distinguished between regional deficiency models and those that pointed to fundamental systemic problems (Sinclair 1994). The deficiency models explain underdevelopment by reference to the lack of relevant resources, or entrepreneurship, or modern values, or supportive state policies, or fully functioning markets. Some accounts are contradictory, as when neo-liberals advocate keeping state involvement at a minimum so as not to distort the market, which will ensure efficient investment decisions, but others feel that the state must protect fledgling industries against competition from already developed areas.<sup>2</sup> The deficiency models look essentially at factors internal to the region, whereas the more radical systemic approaches tend to focus outside the region at the total system of which it is a part.

Making a devastating attack on earlier modernization theories, various strands of dependency theory explained the continued or worsening poverty of poor regions by the way that their resources were exploited for the benefit of external capital. Too much rather than too little capitalism was said to be the cause of underdevelopment. Where development or growth does take place on the peripheries of the international system, it is said to be dependent development, i.e., development that is controlled by outsiders to whom primary benefit accrues (Cardoso 1973; Evans 1979; Matthews 1983). Notwithstanding the limitations of the theory of dependent development, this perspective helps to explain the experience of local people in this analysis. In particular, it is helpful to recognize that *both* areas are dependent on the decisions of outside economic actors over whom they have little influence. Yet, this theory cannot explain why one area should be more diversified than the other.

Thus, it is incumbent on the researcher to look at local geography, politics, and history to grasp more fully how larger scale forces are played out.

Theories of development focus more on accounting for why particular locations are developed or underdeveloped rather than on social impacts, although it is safe to state that most theorists of economic growth believe it to be positive and progressive for those who experience it. This applies to marxists, even if they also stress the short-term pain of the industrial working class. Empirical evidence on the social impact of rural industrialization is less abundant than might be expected from the proliferation of general development literature. As Albrecht (1998) points out, the demographic changes in rural North America have been studied intensively and comparisons between farm dependent and more economically diverse areas are common. Yet, other potential effects of industrialization, for example on family structure and socio-economic conditions, have been assumed rather than investigated. Rural Newfoundland is much more dependent on fishing and logging than on farming, but the same general conclusion is warranted, except that industrialization, apart from fish plants, has been rare and hardly studied in any respect (but on Corner Brook's pulp mill, see Norcliffe 1995; Norcliffe and Bates 1997).

Some clues might be expected in the 'boomtown' studies, which were common in the 1970s and 1980s, when social scientists focussed on the social and economic consequences of energy-related development. However, this research is inconclusive and not directly connected to my research problem. Social disorganization and personal malaise were thought to arise as small towns experience the transition from a homogenous stable society to one more distinctive of urban living (Greider and Krannich, 1985:51). Industrialization was said to result in weaker mechanisms of social support coupled with deteriorating community services (Murdock and Leistritz, 1979). These descriptions, however, were met with sharp criticism, e.g., that "undocumented assertions" were frequently made to promote the social disruption thesis (Wilkinson *et al.* 1982:278). Later research demonstrated that there is often a disjunction between what statistical data suggest and what people experience. For example, crime rates appear not to increase with rapid growth, but residents are more fearful of crime (Freudenburg, 1984; Greider and Krannich, 1985; Krannich *et al.*, 1985). Conclusive arguments cannot be drawn from this debate because it became evident that rapid economic development takes many different forms, occurs in a wide range of existing social situations, and is associated with multiple social impacts.

## THE RESEARCH PROCESS

This paper draws on the general social survey that was part of the eco-research project, in addition to Canadian census reports. The sample was selected from the relevant telephone exchanges based on Newfoundland Telephone Company's

up-to-date listing of residential numbers. The exchanges in each study area were combined and samples drawn as follows. After randomly identifying a starting number on each list, every tenth number was selected on the peninsula and every seventh number on the isthmus. We attempted to interview persons 16 and older in 320 peninsula and 80 isthmus households. Substitution numbers were available in the event of refusals or inability to contact the persons on the original list.

Local people, some with interviewing experience, were trained to conduct the interviews. Research assistants, whose primary work was participant observation, also completed some of the interviews. Respondents were paid \$10 per interview, which normally took about one hour. By early January, 1995, 400 households had been surveyed, which produced a total of 786 interviews of which 619 were on the Bonavista peninsula and 167 on the isthmus.

I shall also make some use of semi-structured interviews with local persons well placed to comment on the impact of change and with a cross-section of the general population. The latter interviews were conducted on the Bonavista peninsula only by three field researchers in Trinity, Catalina-Port Union and Bonavista town.<sup>3</sup>

## BONAVISTA: A FISHERY-DEPENDENT AREA

The Bonavista peninsula forms part of the northeast coast of the isolated island of Newfoundland. For the purpose of this research, we focus on the headland that includes the area from Keels on the south shore of Bonavista Bay, around Cape Bonavista, then along the north shore of Trinity Bay as far as the village of Trinity. This is a harsh environment where the Atlantic Ocean pounds the outer coasts, soils are generally thin, the growing season short, and tree cover sparse until the inner part of the land mass is approached. Settlements, which date from the late 17th century (Macpherson 1977:102) in some locations, are scattered around the coast wherever some shelter might be found from high seas and winter pack ice. Without the fishery, there was little reason for any to dare live in these parts, even if land and seascape are often majestic.

In 1996, the Bonavista peninsula was inhabited by 9,975 people, which represented a significant decline of 6.7 percent since 1991. Loss of population was quite uneven as some of the outports were 15 to 20 percent smaller, whereas the town of Bonavista, with 4,526 people, had declined only 1.5 per cent (calculated from data in Statistics Canada [www.estat2.statcan.ca](http://www.estat2.statcan.ca)). This out-migration should be linked to the historical dependency of the area's economy on the cod fishery, on which a moratorium was placed in 1992 after overfishing and inadequate management decimated the stocks. By 1998, there was no sign of recovery. Although some people found work in alternative fisheries (such as crab) and processing, the major plant in the area (at Port Union), which had employed over 1,000 people at times,

was shut down. The second largest plant, in Bonavista town, was limited to crab processing, which cut back work hours compared with the past. At Trouty, Trinity Bay, a modern, but small scale crab plant continued to function. Just outside the study area, in Charleston, Bonavista Bay, a fourth inshore plant ceased operations. All told, about 30 percent of the labour force had been employed directly in the fishery and most were receiving assistance at the time of this research from the federal government's aid package, widely known as TAGS (The Atlantic Groundfish Strategy).

The federal and provincial states were heavily influential in this development pattern as the resettlement of small isolated fishing villages and the transformation from a household based to an industrial factory fishery were promoted by various subsidies and Premier Smallwood's rhetoric in the 1950s and 1960s (Matthews 1983). Later, the federal government became increasingly implicated as a direct manager of the fisheries through licensing and quota controls after the extension of fisheries jurisdiction to 200 miles off-shore in 1977 (Sinclair 1988).

Apart from the fishery, there was no local economic base except for seasonal tourism, especially close to Trinity, and several small scale farming or craft production businesses. Beyond these, the usual array of public and private service sector jobs were insecure in the long-term without a revived fishery or economic diversification. It is thus no surprise that the area should exhibit some statistical evidence of economic decline or depression (see below).

## THE ISTHMUS OF AVALON: FISH, OIL REFINING AND PLATFORM CONSTRUCTION

The Isthmus of Avalon is a neck of land that links the Avalon Peninsula to the central core of the island. At its narrowest point, Trinity Bay to the north and Placentia Bay to the south can easily be seen – provided that one of the area's thick fogs has not descended. Like much of Newfoundland, the isthmus is rugged, rocky, hilly, sparsely forested and blessed by many small harbours. On the south side, Placentia Bay is ice-free, which makes it open to year-round navigation and thus a suitable site for large scale construction, oil refining and other activities that demand continuous sea transportation of bulk commodities. It is also conducive to a year-round fishery served by deep-sea trawlers in the winter and by seasonal inshore catches. Indeed, the small area that includes Arnold's Cove, Come-By-Chance and Sunnyside (with a total population in 1996 of 2,036) attracted an oil refinery, off-shore oil-related construction, and a modern fish plant. Add the phosphorus reduction plant at Long Harbour (within easy commuting distance, but now closed) and it should be evident that this area provides a good example to evaluate the local social impact of a strategy of development through large-scale rural industrialization. Our research on the isthmus was restricted to three villages

within 10 km. of the Hibernia construction site and the oil refinery because we felt that these were the places most likely to show any impact. Indeed, whereas the population of this area was static between 1991 and 1996, only slightly further away, Southern Harbour lost 11.6 percent, a change more like the Bonavista peninsula. Looking at the ten years between 1986 and 1996, the peninsula lost 9.1 percent while the isthmus gained 0.9 percent.

As on the Bonavista peninsula, the state was an important player in the development of this region by helping to finance and regulate the industrial fishery, the refinery and platform construction. In the 1950s and 1960s, many fishing families were resettled from islands in Placentia Bay to Arnold's Cove and Southern Harbour as part of the state program referred to earlier. In the 1970s, this strategy to provide more diversified, concentrated employment appeared to work as an oil refinery was built at Come-by-Chance and a new fish plant was constructed in Arnold's Cove.<sup>4</sup> The refinery has had a chequered history following its opening in 1973. By 1976, after employing as many as 450-500 workers, it was in receivership. After being closed from 1976 until 1987, it operated continuously, apart from a refit, when ownership changed to Vitol of Texas. North Atlantic Petroleum, with a staff of 600-700 in the Fall of 1998, was the area's most important employer.

On the other side of the isthmus, close to the village of Sunnyside, the consortium of state and private corporations formed to extract oil from the Hibernia field to the southeast of Newfoundland began building a giant gravity-based platform in 1990. Up to 5,000 people worked at the construction site at a given time, but these workers, mostly men, were unionized with few exceptions and the vast majority had migrated from other parts of the province. At the work site, they lived in company housing largely isolated from the local villages; they are not considered here as part of the local population. Exactly how many from the Arnold's Cove area were employed is uncertain, but Storey (1994:17) reports that 266 people (9 percent of the total) were resident within a 50 km. radius at the end of March 1994.

In 1968, National Sea Products took over an inshore plant that focussed on cured herring. In 1973, the plant was extended to permit the production of ground-fish fillets, and a collector system was set up covering the small harbours in Placentia Bay. This was followed by the building of a new plant supplied from 1983 by three deep-sea trawlers in the winter to supplement fish purchased from inshore producers in other seasons. The plant has been successful, remaining in operation even in the post-moratorium period, though with a labour force about 150 less than at its peak of over 400. About 60 to 70 percent of the workers resided in Arnold's Cove with the remainder commuting from a 50 mile radius (Tulk 1977:115-116; interview with plant manager Bruce Wareham, 1994).



## ORIGIN OF THE PEOPLE

The two areas differ not only in the contemporary characteristics of their local economies, but also in the proportion of in-migrants in recent decades. Table 1 shows that 81.1 percent of peninsula residents and 61.7 percent of those on the isthmus were born in their area of current residence. The relatively low figure for the isthmus probably reflects the fact that Arnold's Cove was a major location for families resettled from the islands of Placentia Bay in the 1950s and 1960s, and later attracted additional incomers wanting to take advantage of industrial diversification in this area. There has been practically no in-migration to either place from outside Newfoundland and Labrador. Of those who were born elsewhere, almost all moved before they were age thirty, many as children.

**Table 1: Birthplace of Population (%)**

<i>Birthplace</i>	<i>Bonavista Peninsula</i>	<i>Isthmus of Avalon</i>
Local area	81.1	61.7
Elsewhere in Newfoundland	16.6	36.5
Mainland Canada	1.8	1.8
Foreign country	0.5	0

We attempted to determine the extent to which contemporary residents were descended from fishing people in the immediate area by asking about property ownership in general and specifically about owning fishing premises (table 2). Bonavista residents were much more likely than those on the isthmus to come from local fishing families. Well over half of our respondents from the peninsula reported parents and grandparents with local property, including fishing property. Because the fishery switched from household produced salt fish to an industrial fishery, it is no surprise to find that only a minority had parents who were property owning fishers in comparison with their grandparents. It is likely that, had the isthmus study area been extended to include the Placentia Bay islands, fishing backgrounds would have been more commonly reported.

**Table 2: Fisheries and Property Background**  
(% of all respondents)

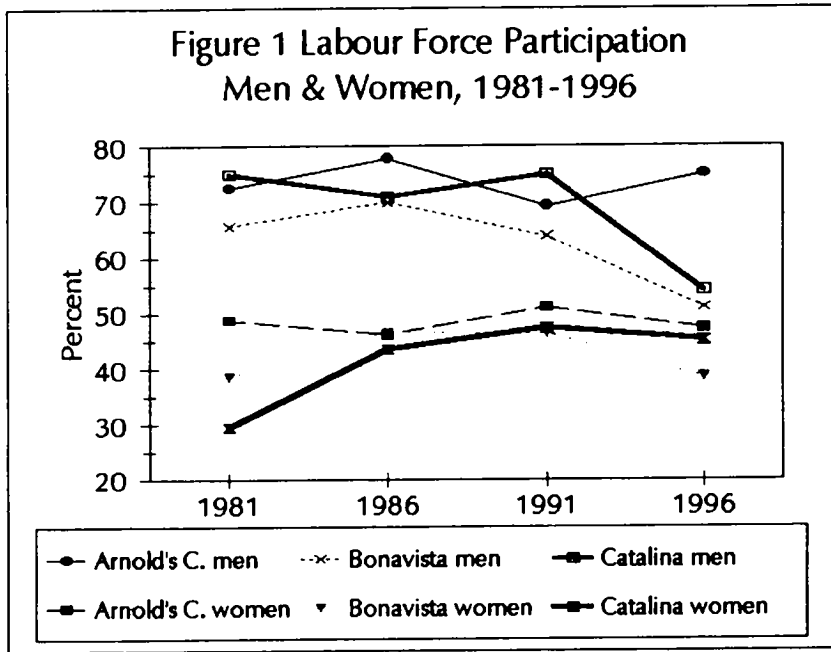
	<i>Bonavista Peninsula</i>	<i>Isthmus of Avalon</i>
Parents with property in area	73.4	20.4
Parents with fishing room in area	32.1	7.2
Parents used cod trap berth	29.8	4.8
Grandparents with property in area	71.6	18.6
Grandparents with fishing room in area	57.1	10.2
Grandparents used cod trap berth	53.7	7.2
Will inherit property in area	20.2	10.2

## LOCAL LABOUR MARKETS AND LIVING STANDARDS

Most planners and theorists would expect the more diversified economy of the isthmus to have a positive impact on employment and incomes in comparison with the peninsula. At first glance, it appears that this comparison firmly supports the economic diversification approach, but qualifications are in order once consideration is given to how incomes are distributed among men and women and to the continued importance of the National Sea fish plant. As the following data illustrate, only men have benefitted from the type of employment in Arnold's Cove. Whereas the two areas were broadly similar in their impoverished, pre-confederation circumstances, the isthmus was more prosperous than all but the Catalina section of the Bonavista peninsula in the 1980s and was able to maintain its economic advantage after the cod moratorium had curtailed the fishing industry in most areas.

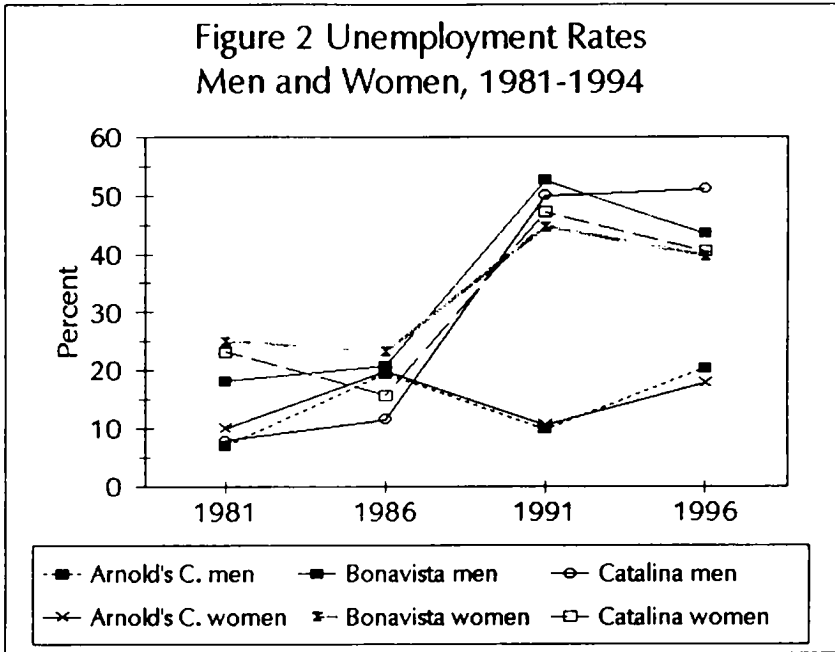
To be counted as part of the labour force, a person must be employed or looking for employment. Thus information about participation in the labour force tells us how effective are local labour markets in encompassing the local population at a given time. Figures 1 and 2 are based on the census returns from 1981 to 1996.<sup>5</sup> It is evident that the economy of Arnold's Cove was relatively favourable for labour force participation of men throughout the period 1981-1996. However, where the fishery was thriving and providing year-round fish plant work, conditions were similar on the peninsula. Thus Catalina men fared quite well until 1991, but the

decline of the offshore fishery in the 1990s led to a collapse of employment that left them in a similar position to Bonavista men. Even more telling are the unemployment rates. In the early 1980s Catalina men had low (by Newfoundland standards) unemployment on a par with Arnold's Cove, but Bonavista men experienced relatively high unemployment, even in 1981. By 1991, just *prior* to the moratorium, both men's and women's rates in the peninsula towns exceeded 40 percent, while Arnold's Cove was hovering around 10 percent, which should be linked to the reopening of the oil refinery. Later, in 1996, with Hibernia construction winding down, Arnold's Cove unemployment was less than half that of the peninsula.



Another way of looking at participation is to consider the percent actually employed at a given time. For this measure information is available for the full study areas. The eco-research survey in 1994 recorded an employment level of 48.7 percent on the isthmus and 21.4 percent on the peninsula, which is broadly consistent with the census. However, even the isthmus is not a sound local economy by national standards. Thus, it is notable that 76.4 per cent of those in the labour force had been unemployed at some time in the previous 12 months (68.8 per cent of men and 82.9 per cent of women — chi-sq. p. = .05) and that a majority (55.6

per cent) consider their employment seasonal, the average number of weeks worked in the year being only 32.2.



Participation in the labour market does not imply a great deal about living standards until levels and sources of income are considered as well. In terms of income, it does appear that economic diversification has had a major beneficial impact on the isthmus, but mainly to the direct advantage of men. The median income for men in 1996 was much higher in Arnold's Cove, but when the fishery was thriving Catalina men were actually slightly better off (table 3). A notable finding is that the gap between men's and women's incomes on the peninsula became much smaller, but this result was brought about much more by a collapse in men's incomes than by increases for women.

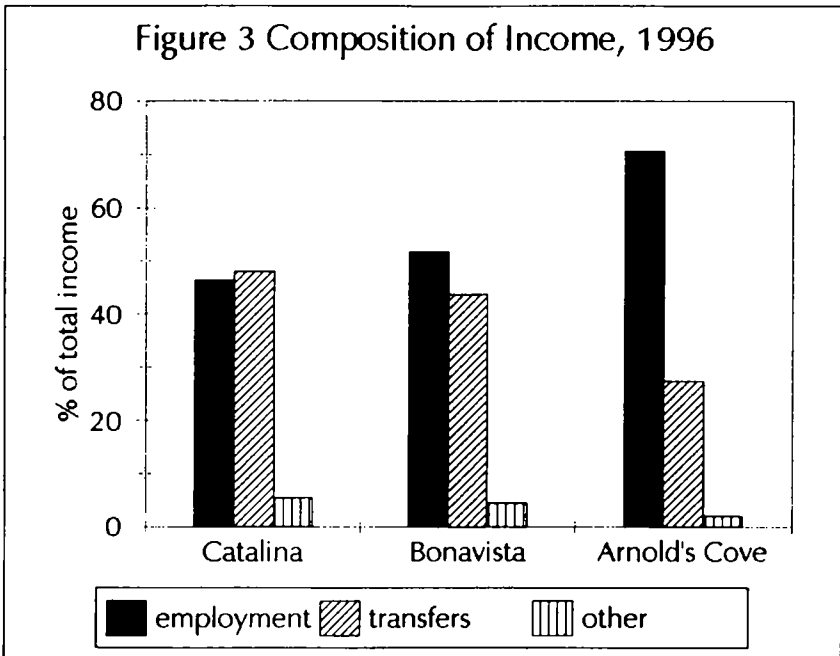
Household income necessarily obscures differences in the contributions of individuals and should not be taken to imply shared control of spending. Nor do summary figures of household income reflect the number of providers and dependents. Still, this statistic does provide a rough comparison of living standards across areas, assuming, as in this study, that households are similar in size and composition. The gap between the isthmus and peninsula in household incomes grew significantly between 1991 and 1996 as Arnold's Cove continued to prosper while Catalina fell back dramatically and Bonavista showed little change. Thus it should be no surprise that poverty in 1996, as measured by the percentage of individuals

Table 3: Median Personal and Household Incomes, 1981-1996

	Town	1981	1986	1991	1996
Median total income men	Arnold's Cove	\$11,398	\$14,316	\$21,114	\$24,716
	Bonavista	\$9,233	\$11,582	\$17,639	\$14,987
	Catalina	\$13,027	\$14,856	\$19,632	\$15,319
Median total income women	Arnold's Cove	\$7,599	\$7,553	\$11,595	\$11,933
	Bonavista	\$4,922	\$7,110	\$9,362	\$11,760
	Catalina	\$4,191	\$7,943	\$10,373	\$11,161
Median household income	Arnold's Cove	\$21,332	\$25,726	\$35,384	\$43,485
	Bonavista	\$14,226	\$20,227	\$28,905	\$28,426
	Catalina	\$21,124	\$27,582	\$32,770	\$24,769

Source: Census of Canada, 1981-1996.

in low income households, was much more prevalent on the peninsula (24.4% in Bonavista town, 32.5% in Catalina, but only 12.1% in Arnold's Cove) where government transfers provided about half of total personal incomes in contrast with a quarter in Arnold's Cove (figure 3). Evidently, to a considerable extent, public policy compensated for the weak labour market on the peninsula by maintaining incomes higher than would have otherwise been possible.



To what extent did income variation translate into differences in material possessions? In the survey, we collected information on a number of items to which respondents had access by virtue of their residence in a household. The most important are summarized in table 4. The rural setting of both areas is reflected in the seemingly high proportion of households that owned cabins, pick-up trucks, skidoos and pleasure boats. Most people had access to contemporary electronic equipment such as cable TV and a VCR, while a substantial minority of households in both areas contained computers. Most households had freezers and a washing machine, while even microwaves were in widespread use. Clearly these are not areas of grinding absolute poverty. By these rough measures, living standards appear similar, but it is quite likely that those with low or declining incomes made do with older equipment. Thus we frequently heard that people on the peninsula

were struggling to keep an old car on the road and did not think they would be able to replace it when it wore out.

**Table 4: Household Property  
(Mean No. Reported)**

<i>Item</i>	<i>Bonavista Peninsula</i>	<i>Isthmus of Avalon</i>
<b>Transportation or External Use</b>		
Car	0.85	0.96
Pickup truck	0.45	0.37
Trailer	0.47	0.24
Motor home	0.27	0.04
Skidoo	0.55	0.44
Pleasure boat	0.39	0.40
Cabin	0.40	0.46
Snowblower	0.37	0.07
<b>External</b>		
Colour TV	1.53	1.98
Cable TV	0.96	1.52
Stereo system	0.93	1.02
VCR	0.92	1.08
Computer	0.34	0.28
<b>Appliances</b>		
Microwave	0.75	0.91
Washing machine	0.99	1.00
Clothes dryer	0.83	0.95
Dishwasher	0.43	0.24
Freezer	0.98	1.05

Housing is usually privately owned and often built by the owners in rural Newfoundland. In Bonavista, 92.4 percent lived in a house owned by themselves or another family member, which compares closely with 90.4 percent on the isthmus. Somewhat surprisingly, there was a slightly greater tendency ( $p = .05$ ) for isthmus residents to have worked on constructing that house (30.3 percent compared with 24.3 percent), which might be a reflection of the greater age of the

housing stock on the peninsula where about 40 percent were over 50 years old in 1996. On the isthmus, where much resettlement took place in the 1950s and 1960s, only 12 percent of homes were over 50 years old (calculated from census of Canada 1996, [www.estat2.statcan.ca](http://www.estat2.statcan.ca)). Again, the statistics may be misleading as many older homes in Bonavista were modernized to the point that their age did not imply inferior living quarters.

## LEVEL OF SATISFACTION AND FUTURE OUTLOOK

I have established that isthmus people, especially men, were better off according to some measures. Were they happier with their standard of living and life in general? Were they more likely to stay where they were? These questions can be answered by drawing upon the eco-research survey, but first two peninsula people express their sense of commitment and despair for the future. A young woman from the Trinity area, someone lacking much formal education, talked of her desire to stay:

I love livin' here. I wouldn't want to move. There's nowhere that I can think of where I would want to go. We know everybody. Like the way it is, I can go in almost anyone's house, like to use the phone or anything like that, and you're treated the same; there's no one gonna like not let you in. The people are all good; same with the kids here (interview 1995).

This strong statement is typical of the majority of people in the area who had no wish to move elsewhere. In Bonavista, however, a middle aged woman was afraid of what life will be like there in the future, especially for young people:

It's gone down hill so bad that it's frightening. You don't only have to worry about your doctors — not having a doctor, you're going to have to worry about where you're going to live or what you're going to do... I'll survive, but my children I don't think they know how to survive. They're not used to — they don't remember how it used to be. They can't go back to the old ways. They've never known them. I wonder how they're going to survive. I got this feeling — if there's something somewhere else for them, that they're going to have to move. And that's sad.... And I wonder how will they ever make this step to leave home. How will they ever pack to leave home? (interview 1995)

This type of response was common but not the predominant one in the broader survey. Moreover, despite widely discussed loss of population, few jobs and low incomes, people on the peninsula were mostly satisfied with living in the area, just as they were on the isthmus, judging from responses to the general question, "Considering everything, how do you feel about living here?"



**Table 5: Perception of Local Characteristics Compared with Elsewhere by Area of Residence (Bonavista Peninsula and Isthmus of Avalon)**

Characteristic	Area of Residence	Percent who perceive area as				
		Much better	Better	About the same	Worse	Much worse
Having relatives close by*	Bonavista	26.2	49.9	15.8	5.6	2.5
	Isthmus	20.4	44.3	19.2	15.6	0.6
Having many friends around*	Bonavista	27.1	55.0	13.1	3.9	0.8
	Isthmus	18.6	49.1	26.9	4.2	1.2
Place to raise children	Bonavista	30.4	49.0	14.1	6.3	0.2
	Isthmus	20.4	57.5	16.2	6.0	0.0
Availability of jobs*	Bonavista	0.3	1.3	9.5	38.4	50.4
	Isthmus	5.4	32.3	34.7	23.4	4.2
Cost of living*	Bonavista	8.9	29.4	54.7	6.2	0.8
	Isthmus	4.8	28.9	48.2	18.1	0.0
Crime level	Bonavista	33.3	49.1	14.2	3.3	0.2
	Isthmus	28.9	54.8	15.7	0.6	0.0
Weather*	Bonavista	2.3	14.9	58.5	19.0	5.3
	Isthmus	1.2	9.0	43.1	37.7	9.0
Recreational* opportunities	Bonavista	2.5	14.0	25.6	44.1	13.9
	Isthmus	3.0	34.9	21.1	34.9	6.0
Affordable housing*	Bonavista	11.8	50.5	34.2	3.5	0.0
	Isthmus	7.3	35.8	35.2	18.8	3.0

\* Chi-square p. = < .000

When we turn to more specific aspects of life, differences do emerge (table 5). Bonavista area residents were significantly more inclined to feel that they were better off with respect to their weather, the availability of affordable housing, cost of living, having many friends around, and having relations close-by, whereas isthmus residents felt more positive about the availability of jobs and recreational opportunities. Attitudes to crime and the suitability of the areas for raising children were not significantly different. As table 5 shows, it was with respect to employment that differences were especially large with Bonavista residents generally negative and isthmus residents positive. Both groups felt that their area of residence was relatively good on other dimensions except for recreational opportunities and, especially on the isthmus, the weather. The isthmus of Avalon, it may be remembered, is one of the foggiest places in Canada.

Even though there were few differences between the two areas in the material goods to which household members had access, it seemed likely that Bonavista residents, who had seen a major decline in their incomes, would be more dissatisfied with their standard of living. Table 6 provides supporting evidence — 26.2 percent of peninsula residents were dissatisfied or very dissatisfied compared with 12.0

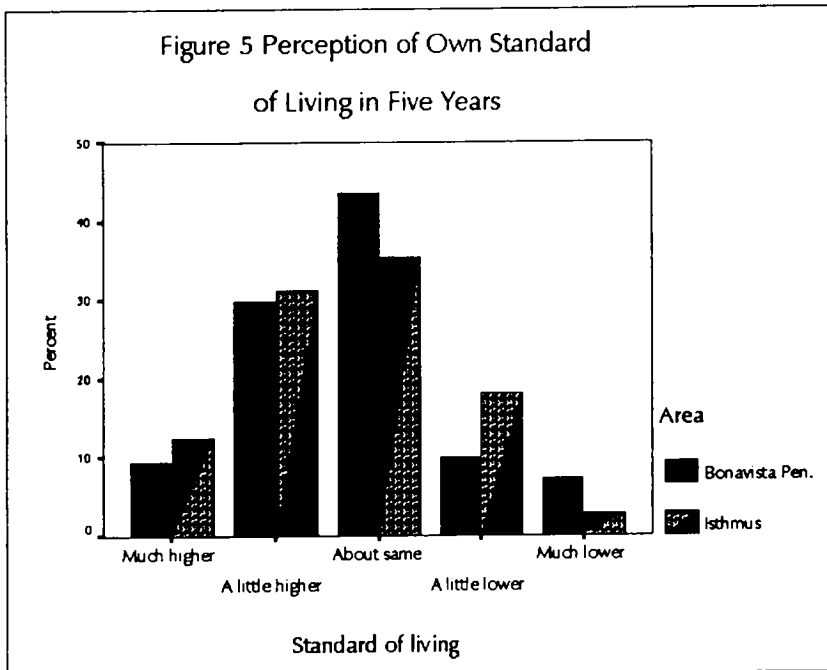
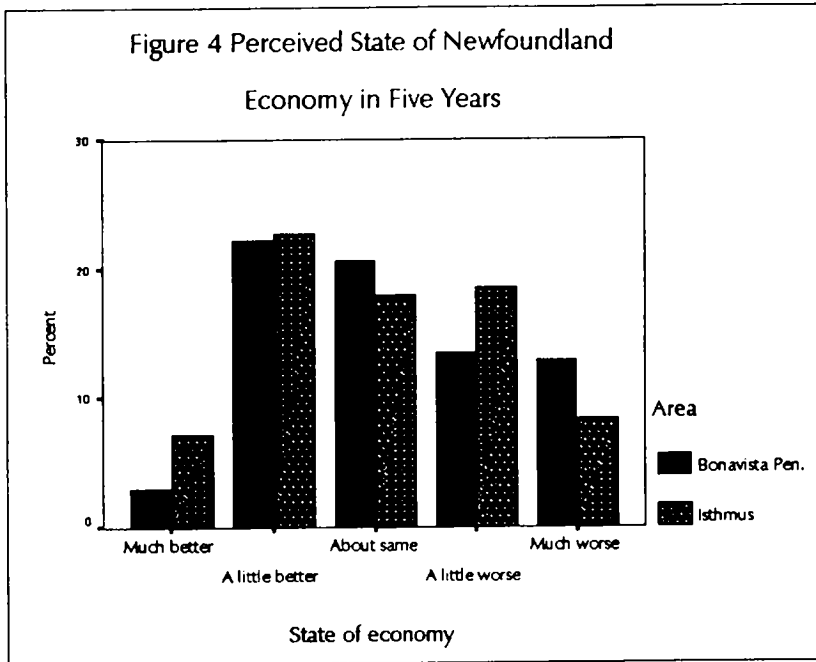
percent on the isthmus. Surprisingly, isthmus people were somewhat more inclined to see themselves worse off in the future, but that might reflect a realistic assessment of the area, given the temporary nature of platform construction and the past history of shut-down at the refinery. Nevertheless, in neither area were people despondent in 1994; and as figures 4 and 5 demonstrate, they were more pessimistic about the fate of Newfoundland's economy than their own standard of living.

**Table 6: Satisfaction with Standard of Living and Future Expectations (%)**

		<i>Level of Satisfaction</i>				
<i>Area</i>		Very satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied
Present standard*	Bonavista	12.8	45.2	15.9	20.0	6.2
	Isthmus	11.4	65.3	11.4	9.6	2.4
		<i>Expectations</i>				
		Much higher	A little higher	About same	A little lower	Much lower
Standard expected in 5 years**	Bonavista	9.3	29.8	43.6	9.9	7.3
	Isthmus	12.5	31.3	35.4	18.1	2.8

N = 786;  
 \* chi-sq. p. = .00007  
 \*\* chi-sq. p. = .012

Despite being content in many respects, we might expect Bonavista residents to respond to their economic problems by thinking about and planning to leave in greater numbers than those on the isthmus. Although Bonavista residents overall felt about as happy as isthmus residents living where they did, they were more likely to have considered moving in the last year (32.0% vs. 22.9%;  $p = .02$ ) and to report that they really expected to be living elsewhere within five years (31.7% vs 25.7%), although the latter difference was not statistically significant. It seems that the temporary nature of Hibernia construction did not translate into a sense that a less vibrant local economy would force people to move. Of course, most people were not directly employed at the site in any event; the fish plant and refinery were much more important in that regard. Indeed, although a majority felt that Hibernia was helping people find jobs in the area and that it was a positive feature for local people, only 17.4 percent had experienced some direct monetary benefit (table 7). Reflecting the negative position on Hibernia, a prominent local businessman commented:



Hibernia hasn't done anything with regards to growth in the local area... We are not gaining anything socially from it... More of a hurt than anything else. It's driving our rentals up and the cost of goods has gone up because of the fact. Hibernia management, I know... that they are not good corporate citizens.... We were led, the local people were led to believe that everything was going to be perfect and given all kinds of promises and completely the opposite happened once it got far enough advanced that it couldn't be stopped.

Another knowledgeable informant noted that:

Hibernia has had no impact at all on this community, really — very little, other than some people who are here renting and people who come here for services like banking, go to the drug store, or go to the hardware store or the supermarket. There's not a lot of people from this community working at Hibernia.

**Table 7: Agreement with Statements on Hibernia Development  
Isthmus Residents 1994 (percentages)**

<i>Evaluation of Statements</i>	<i>Hibernia development is helping people in this area find jobs</i>	<i>I have made more money as a result of the Hibernia development</i>	<i>In general the Hibernia development has been a good thing for local people</i>
Strongly agree	3.6	5.4	3
Agree	47.3	9.6	59.3
Undecided	4.8	2.4	6
Disagree	31.7	43.7	25.7
Strongly disagree	12.6	38.9	6

Although the isthmus economy was in better condition than that of the peninsula, I have noted that it was not providing year-round employment for most people. Indeed, young people expected to be leaving within a few years. A local manager noted that most young people knew they could not obtain jobs at the plant and refinery given the seniority rules; thus “most of them are either working outside of the community or are going to a centre of higher education.” Indeed, this observation is supported by our survey, which shows no significant difference between the peninsula and isthmus regarding migration plans of those under 25 (table 8). Only with respect to young adults (25-39) was the propensity to leave greater on the peninsula.

**Table 8: Percent Planning to Leave in 5 Years  
by Age and Area**

<i>Age</i>	<i>Area</i>	
	Bonavista Peninsula	Isthmus of Avalon
Under 25	79.6	74.2
25-39*	35.4	13.5
40-64	19.2	19.1
65 and older	7.9	0

N = 786  
\* chi-sq. p = .002

CONCLUSION

To some extent the evidence presented here suggests that state-sponsored industrial diversification of the isthmus was effective. Looked at positively, the standard of living and employment record of people on the isthmus were much better than on the peninsula. Why? It is reasonable to attribute these findings to the presence of the oil refinery and, to a lesser extent, Hibernia construction, but we cannot ignore the fishery, which absorbed about one-third of the labour force. The National Sea fish plant was as important as the refinery and more important than Hibernia in terms of employment. Thus the groundfish industry was not dormant everywhere in rural Newfoundland and could still provide a living on a reduced scale in the 1990s. Overall, the isthmus was an attractive site for development and the local fish plant enjoyed excellent management that allowed it to stay open when other groundfish plants closed down.

More negatively, we should note that even the isthmus economy seemed unable to retain many of the young people of the area. More than in the past, they were concerned to become better educated and to look elsewhere for employment. With youth unemployment (under 25 years old) in 1996 at approximately 50 percent for men and 75 percent for women, they had little choice ([www.estat2.statcan.ca](http://www.estat2.statcan.ca)). Overall unemployment at 20 percent was still high, even if much better than on the peninsula. Thus, the rural industrialization of the isthmus cannot be counted as a great economic success story, in part because the mega-project scale failed to provide much opportunity for small-scale local entrepreneurs and only the refinery provided many long-term jobs, mostly for men.<sup>6</sup> In addition, environmental issues have accompanied both the refinery and construction site (Ottenheimer 1993) to the point where residents of the isthmus considered pollution from industry a serious issue, whereas it was insignificant to peninsula residents (Sinclair 1997).

A major oil spill in Placentia Bay might also devastate the local fishery and detract from tourist potential.

The experience of industrialization in these two areas may usefully be linked to development theory. Regarding the problem of dependency, several comments are in order. For the most part, economic development was outside the control of local people on the isthmus<sup>7</sup> as was economic decline on the peninsula after the initial success of industrialization of the fishery. These areas were both, in that sense, dependent, although there are some examples of successful local business initiatives, for example in tourist services at Trinity. This having been said, the attribution of dependency is almost inevitable for any territory in the late twentieth century when interconnection and specialization across the globe are gaining ground. The dependency approach is spatial in that reference is always made to whether or not a particular territory is the locus of control and the beneficiary of development if it occurs. Whether this control is internal or external is determined by where boundaries are drawn; and regardless of those boundaries, benefits will never be equally distributed. Considering the oil refinery and Hibernia, should the local area be defined as in this research, or expanded to include Clarendville, or St. John's, or some other geography? There is no unambiguous answer to this question, but the boundary choice does affect judgements of equity and just reward from development.

It is sometimes claimed that people who live closest to a resource or facility should benefit more from it than others and should have more control over what happens, i.e., that dependency should be reduced as much as possible. The ethical implication that some people, merely by virtue of residence, have prior rights over others is open to challenge. That noted, it is democratic to argue that people should have a say in the developments that take place in the areas in which they live, even when they do not own the investment resources. However, we should not assume that such participation will resolve all the issues. The neo-populist approach to development (Corbridge 1995:7-8) stresses the importance of listening to what people want and recognizing the value of their knowledge. This is sensible because ordinary lay people often have knowledge that experts ignore at their peril, e.g., of local fish stocks and overexploitation in the case of Bonavista fisheries (Neis *et al.* 1999), and also because people's wishes should be valued. However, consensus on needs and knowledge is rare, so that focussing on *the people* does not necessarily generate a clear and superior development strategy. If, for example, everyone wants a fish plant in their own community, only some can be accommodated and the losers may feel unjustly treated.

Both peninsula and isthmus followed a development pattern that was strongly influenced by state policy, and neither has been fully successful in providing enough employment to retain all who want to stay. Focussing on this weakness, the neo-liberal ideologies of many governments and academics demand that market forces be given full play so that public resources are not wasted and people will

direct their attention to work and investment opportunities to which they are best suited. The consequences might be even faster destruction of common resources like fish and massive rural depopulation, which might be more costly than medium-term subsidies. This is also an oppressive social strategy in the name of economic theory that is itself based on questionable assumptions about how markets work in practice and how people think. There are no easy answers. And surely the answers proposed should involve listening to the voices of those who want to stay where they are to earn a living.

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## Notes

<sup>1</sup>For a review with special reference to Atlantic Canada, see Sinclair (1994). Corbridge (1995) provides a balanced collection of readings with ample further references.

<sup>2</sup>In this regard, the dispute over the reasons for the success (and post 1997 weakness) of the East Asian 'dragons' is instructive. See recently Burkett and Hart-Lansberg (1998) and Lim (1998).

<sup>3</sup>Angela Watson supervised the general survey and conducted interviews with key informants in the isthmus area. The field interviews on the peninsula were conducted by Heather Squires in Bonavista, Lynn Downton in Catalina-Port Union and Theresa Heath in Port Rexton.

<sup>4</sup>I am grateful to Michelle McBride for providing an historical outline of the refinery's operation.

<sup>5</sup>Earlier census reports do not allow comparison of information at the level of small municipalities, while the most recent years do not permit calculation of overall figures for the Bonavista peninsula because confidentiality rules prevent the disclosure of data for the smallest places. Thus, I have selected Arnold's Cove (isthmus), Bonavista town, and Catalina (Bonavista peninsula), which are the three main settlements in the study areas.

<sup>6</sup>One reviewer noted that the character of the construction development resembled that of military spending, which often fails to promote local economic linkages. Two cases that support this position are the aerospace industry in Bristol, England (Lovering 1985) and a naval shipyard in California (Schneider and Patton 1985).

<sup>7</sup>Ottenheimer (1993) shows that the Hibernia development process was effectively under the control of the oil companies despite extensive formal consultations. Her research focus was on the powerlessness of fishing people to protect their interests when faced with the construction of the platform in Bull Arm.