NEW ECONOMIC SPACES AND PRACTICES
IN COASTAL BRITISH COLUMBIA

by

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ABSTRACT

Coastal regions of British Columbia are presently undergoing a period of dramatic economic restructuring. The roots of this crisis lie in the environmental and economic exhaustion of Fordist systems for resource production that have dominated BC’s rural economy since the Second World War. This thesis argues that current responses to this crisis – as undertaken by governments, corporate actors, communities, and local firms – are resulting in a fundamental restructuring of economic spaces in coastal British Columbia.

I argue that senior governments are responding to the crisis in rural economies in British Columbia by implementing separate development strategies for resource- and community-based economies that are based on different visions of how these relate to global (Post-Fordist) economies. On the one hand, new reforms have recently been implemented to spatially liberalize resource economies – allowing major corporate actors significantly more freedom to manipulate geographies of resource production according to global market conditions. On the other hand, senior governments are implementing new ‘entrepreneurialist’ programs in the local spaces of community-based economies – encouraging local groups and firms to pursue new types of connections to broader markets based on local capacities.

The segregation of resource- and community-based economies is fundamentally altering local economic spaces and practices. This thesis advances detailed research from two case communities on the British Columbian coast – Port Hardy on northern Vancouver Island, and Bella Coola on BC’s rugged central coast – to address how local
economic spaces are being restructured both by institutional actors (state and corporate actors) and by community-based actors (local groups and firms). The withdrawal of corporate actors from the local economies of these communities places many local firms in a very tenuous position, where survival depends on successful connection and engagement with broader (global) markets and spaces. Drawing on interview research in the case communities, I develop and apply a schema for understanding how local actors attempt to participate in the global economy from positions of geographic marginality. This schema, which is based on the analysis of how local actors attempt to ‘reach across space’ by negotiating socio-technical network arrangements (which I term “performances of distance”), uncovers new opportunities and inequalities confronting local actors in the new spatial economies of coastal British Columbia.
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Thanks also go to the other members of my supervisory committee, Don Fisher and Terre Satterfield. This work has been shaped over many conversations and proposal drafts. I am also indebted to other members of the Coastal Communities Project, specifically Bruce Milne, John Bass, and Robin Sydneysmith. In particular, I have learned much from Bruce’s ability to straddle community and academic worlds.

Many thanks go to the participants in this research, who were willing to share stories about successes and failures, hopes and frustrations with the new rural economy. These were sometimes difficult conversations, and I am very grateful for all who took the time to speak with me. It is my sincere hope that I have well represented their experiences in this work.

Thanks to my parents Dennis and Marie for sharing a love of discovery and learning, and for every tangible and intangible support through the years. No words can capture what my wife, Christina, has meant to me throughout this adventure. Without her, I would not have seen this side of “the long walk through the desert”.

Acknowledgements
Chapter 1

New Economic Spaces and Practices in Coastal British Columbia

At present, economic and political changes are underway in coastal regions of British Columbia that are profound enough to be considered revolutionary. These changes touch on all aspects of rural living, and they are radically altering the livelihoods and life chances of coastal residents. They involve the near-complete dismantling of traditional institutions and practices of local governance and economic development, and their replacement with utterly new structures and ways of doing things. They are caught up in the broad recasting of corporate and government involvement in communities, in the redistribution of risks, authority, and responsibilities across the major institutions in our society, and in the ways in which local actors participate and relate to global forces and processes.

The causes and consequences of this restructuring have been well documented. While debate continues regarding proper policy responses to the present crisis on BC’s
rural coast, there is broad consensus regarding the challenges at hand. Primary among these is the fact that coastal British Columbia’s resource industries have failed to achieve the productivity gains necessary to compete effectively in a truly global marketplace (Marchak 1997; Hayter and Barnes 1997a; Pearse 2001). The consequences of this problem (exacerbated by the long-term degradation of environment – see Marchak et al. 1999) have been devastating for resource-dependent communities. Over the past decade, formerly prosperous resource firms and sectors have shed employment and withdrawn investment from the communities with which they have traditionally been bound, leading to dramatic declines in income and wealth and the depopulation of previously vibrant regional centres (for detailed analyses, see Hayter 2000; Cashore et al. 2001; Markey et al. 2005).

The decline in traditional resource production and employment has stirred a media debate in this country regarding the value of maintaining communities in remote or economically depressed regions (e.g., Wente 2005; Risley 2005). In a nation and a province whose politics and policies are increasingly driven by urban issues and a cities agenda, resource communities are often considered in popular discourse to be a drain rather than a producer of wealth (Baxter et al. 2005: 3). For many, these are twilight communities, whose population and labour would be better dispersed to more productive regions of the country (cf. Simpson 2005).

This thinking is not new. Even at the height of Fordist resource production, there was a strong bias that understood resource peripheries and communities as somewhat transient, mobile, and impermanent (Matthews 1983: 65-6; Marchak 1983: 24-5). But the present situation is also unique to the current political economic moment, being
embedded in dominant discourses and realities of globalization, Post-Fordism, and neoliberalism. These have changed how we think about production, labour, and the role of government in the market. As we will see, these movements strongly challenge traditional thinking regarding regional and community development. While resource communities were once understood to be the backbone of rural and resource development (Marchak 1983: 303), they are now considered in many quarters to be a hindrance to those projects (cf. Simpson 2005). We are now faced with the prospect that resource- and community-based economies are on very different trajectories of development. While the wealth of British Columbia’s resource regions continues to fuel the provincial economy (Baxter et al. 2005: 3), it is now an accepted orthodoxy across the political spectrum that resource communities must radically diversify their local economies in order to survive and prosper in a truly global economy (cf. Apedaile 2004; Markey et al. 2005).

In this work, I argue that the political and economic pressures stemming from the recent crisis in British Columbia’s resource economies are prompting a fundamental restructuring of economic spaces in British Columbia. In other words, the crisis in Fordist methods of resource production is spurring deep changes in how spaces in the region are regulated, organized, and ‘performed’. The core of my argument is that economic spaces in rural British Columbia are being simultaneously liberalized, intensified, and multiplied. I will argue that these changes are being driven both by major institutions (involving significant reforms to state policy and corporate practice) and by small-scale actors (being the product of local creativity, entrepreneurialism, and even resistance). As such, changes to the ‘structure’ and performance of economic spaces in
BC involve actors at every political and geographic scale, including governments, major corporations, communities, and local firms. As we will see, each are responding to the crisis in traditional rural economies by engaging in strategies to shape and pattern the spaces in which values are created in the coastal region.

The restructuring of economic spaces in rural British Columbia is a complex political economic endeavour. On the one hand, it is an attempt to resolve longstanding problems and contradictions within Fordist models and methods of resource production by allowing major firms to profit directly from the manipulation of territories and spaces (cf. Jessop 2002: 179). On the other hand, it involves the creation of new economic spaces that are the purview of community and locality. As we will see, development programs such as Community Futures Development Corporations (CFDC), the Coast Sustainability Trust (CST) and the Northern Development Initiative (NDI) create significant opportunities for local governments, community groups, and firms to forge direct connections to larger, extra-regional and ‘global’ economies. These programs both facilitate and regulate, liberate and govern. As such, they exist in the increasingly grey area between local empowerment and neoliberal ‘government at a distance’ (see Che 2003: 964; Herbert-Cheshire and Higgins 2004: 289).

Therefore, the analysis that I present in this thesis reaches out to the largest questions of globalization and in to the minutiae of community life. On the first point, I will argue that the transformation of the spatial economy in coastal British Columbia is a direct attempt by senior governments to splinter traditional notions of regional production, and to establish distinct but parallel ‘global’ economies in the periphery – one based on the wealth embedded in resource spaces, and another on the particular strengths
(and weaknesses) of community-based economies. On the second point, I will argue that this movement is redefining the structure and practices of local economies. This has the profound effect of both closing off traditional opportunities, and opening new avenues for entrepreneurial and collective action.

Generally speaking, this research has three core aims. First, it aims to analyze how changes in spatial economies are being structured by the actions of governments, corporate actors, communities, and local firms. Following the crisis in traditional Fordist resource economies, each is engaged in the pursuit of particular 'spatial strategies', or efforts to extract value from particular (and occasionally contradictory) spatial arrangements. The interplay among these strategies has a strong influence on the structure and character of the emerging 'Post-Fordist' rural economy in British Columbia.

The second aim of this research is to establish a theoretical framework for understanding the new spatial context of local economies and economic action. As traditional Fordist arrangements diminish and rural economies become more diversified, strong arguments have been made that rural regions are being incorporated into a network-based economy (e.g., Murdoch 2000; van der Ploeg et al. 2000). This implies that rural economies are increasingly dependent on the values derived from network connections into distant markets (e.g., Marsden et al. 2000; Freshwater 2000; Apedaile 2004). Despite these claims, markedly little research or theory has been dedicated to understanding the challenges of participating in network economies from positions of geographic isolation or marginality. Most network theory and analysis has a rather totalitarian understanding of structure and participation, where actors are assumed to either be included or excluded in a given network (although they may be positioned
differently within them). I will address this by developing a conceptualization of network participation 'from the margins', which allows for the possibility that network participation and action can be partial, incomplete, contingent, and/or fragile. I argue that such an approach is better able to address and analyze how network economies are 'performed' in and from geographically isolated regions.

The third aim of this research is to investigate how spatial restructuring is affecting and/or creating new forms of inequality. Rural and resource regions in British Columbia have traditionally demonstrated deep inequalities (cf. Marchak 1983). However, current changes to spatial structure and practice in the periphery are extending novel forms of inequity, often in the guise of development. First, the liberalization of resource spaces across British Columbia, which is intended to enhance productivity and competitiveness is (not surprisingly) concentrating employment and investment in the resource economy in strategic centres of processing and manufacture such as the Lower Mainland, Okanagan region, Prince George, Campbell River and the Kootenay region (cf. Markey et al. 2005: 80). Second, the emergence of empowerment (or neoliberal) approaches to community development explicitly promote diversification and differentiation among communities. While local empowerment is rightly considered to be a progressive break with the corporatist past, this also institutionalizes a measure of inequality, as localities are required to mobilize local human and natural resources to identify and negotiate development ends (Brenner 2004: 15-6). A third form of inequality is less well understood, and will be the focus of extensive analysis in later chapters of this thesis. Specifically, I will argue that the emergence of a network-based economy in coastal British Columbia is creating novel inequalities in the capacity of
actors to “perform” space, or to mobilize the social and technological resources required
to ‘reach across’ rural distances and participate in extra-regional economies. In my view,
this inequality is fundamental to the current experience of restructuring in the region, and
reflects new dilemmas of development in increasingly diverse and spatially liberalized
rural economies.

**Table 1.1**

*Three Core Aims of This Research*

<table>
<thead>
<tr>
<th>Aim</th>
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<tr>
<td>To analyze the restructuring of rural spatial economies in coastal</td>
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<tr>
<td>British Columbia through the actions of state, corporation,</td>
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<tr>
<td>community, and local firm.</td>
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<tr>
<td>To build a theoretical framework for understanding participation in</td>
</tr>
<tr>
<td>network economies from conditions of spatial marginality.</td>
</tr>
<tr>
<td>To investigate the manner in which changes to spatial structures and</td>
</tr>
<tr>
<td>practices are creating new forms of inequality.</td>
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</table>

The core aims of this research are summarized in *Table 1.1*. Each is concerned
*with the investigation and analysis of the intensification of space in rural economies,*
*whereby profitability and opportunity are increasingly based on the capacity to*
*manipulate, configure, and/or reach across rural territories and distances.* In addressing
these together, this research aims to analyze the transformation of economic spaces and
practices on the BC coast as a deep but multidimensional phenomenon. This movement
is changing economic processes, practices, and relationships on the coast, opening up
new opportunities for local actors and actions while establishing and entrenching new
constraints. This research is a step towards understanding these processes, and towards
consideration of what new problems of rural development emerge from an increasingly
liberalized, entrepreneurial, and 'Post-Fordist' economy on the economic and geographic margins.

1.1 Setting the Context: the political economy of spaces and development

Around the world, the forces of globalization and Post-Fordism are radically reshaping traditional economic geographies (Thrift and Olds 1996: 313; Yeung 2003). On the one hand, geographies of production are being 'spread out'. The worldwide political liberalization of trade, coupled with advances in transportation and communication technologies, are together facilitating the emergence of truly global production networks and commodity chains, where stages of production are geographically dispersed yet centrally coordinated (Harrison 1997; Castells 2000: 187). On the other hand, globalization and Post-Fordism are also implicated in the concentration of production in key sites of agglomeration across the globe (Scott 1989; 1998). As knowledge, innovation, and flexibility have emerged as key drivers of productivity and competitiveness in the global economy, the advantages of proximity with suppliers, consumers, and even competitors have driven this tendency to clustering, 'districting', and agglomeration in key sectors in advanced services and manufacturing (e.g., Saxenian 1994; Cooke and Morgan 1998: 70).

While the trends to global dispersion and concentration appear at first glance to be contradictory, they are both representative of an emerging global political economy in which spatial arrangements are integral to profitability. To be clear, space and production have always had a dynamic and complex relationship, as can be seen in the traditional literature in economic geography regarding comparative advantage and
regional differentiation (e.g., Krugman 1991). *What is novel about the current moment, however, is the extent to which wealth is and can be generated specifically from spatial organization.* For many “network enterprises”, profit and values are created directly via the capacity to buy, sell, and contract in ‘global’ spaces and times of particular advantage (Castells 2000: 209; Gereffi 1999), while for many other firms, spatial concentration enhances productivity by generating “untraded interdependencies” and “learning cultures” among firms, communities, and employees (Amin 1999: 369).

The regulationist school in political economy has been among the most active in theorizing the manipulation of space as a strategy for furthering capitalist growth and profitability (e.g., Jessop 1997, 1998, 2002; Brenner 1998, 2003, 2004; Peck and Tickell 1995, 2002; MacLeod and Goodwin 1999). The contemporary regulationist school draws heavily on the thinking of Gramsci and Poulantzas, generally arguing that capitalism survives and endures due to its ability to (temporarily) resolve internal contradictions through its access to political and cultural mechanisms (“an accumulation regime + mode of social regulation” – Jessop 2002: 5).

This question has become urgent again because the transition from Fordist to Post-Fordist methods of production is creating and exposing new contradictions. Specifically, Post-Fordist methods of production are supplanting older Fordist arrangements because the former are better attuned to the demands of complex and competitive global markets. However, as *national economies* become more Post-Fordist (in order to compete globally), much of the *national territory* becomes essentially economically redundant to this project (Brenner 2004: 161-9). This is because the efficiency gains that are essential for ‘global’ Post-Fordist production are achieved in
large measure through the agglomeration of expert, social, and financial resources in (privileged) places of intense local-global interaction (cf. Scott 1998).

The 'global Post-Fordist' transition therefore presents governments with two very substantial problems. On the one hand, states must promote those particular regions (typically cities) and sectors that are most globally competitive in order to build national wealth. On the other hand, this transition has the effect of locating vast territories (and even populations) within nations outside of this method of 'national' development. Adherents to the regulationist school generally argue that states address these problems through the two-pronged strategy of liberalization and devolution (e.g., Peck and Tickell 2002: 386; Brenner 2004: 206). Simply put, the liberalization of economic spaces allows investment and labour to 'pool' in areas of market-determined advantage (the privileged spaces of national and global economies), while devolution allows for the targeting of state support to areas of strength (through local governments and agencies) while 'empowering' disadvantaged regions to 'find their own ways' in the global economy (Brenner 2003: 206).

The structural changes implicated in this transition are often considered under the moniker of “re-scaling”. The notion of scale refers to different levels of economic organization (typically extending from household to locality, region, nation, regional bloc, and global – Swyngedouw 1997: 140). In arguing that economic spaces and actions are being re-scaled, regulation theorists are positing that Keynesian projects of building 'national' economies are giving way to development strategies that hinge on establishing direct relationships between localities and global forces (strategies for “glocalization” – Swyngedouw 1997: 153-9).
These arguments are significant for several reasons. First, they imply that the political economic structuring of spaces is changing. Prior understandings of the political economy of spaces and regions (dependency theory being the most prominent of these), located their analyses in the relationship of core and periphery, metropole and hinterland (e.g., Long 1977; Matthews 1983). This approach understood spatial inequalities as rooted in exploitative relationships, where the wealth of cores depended and drew upon the subordinate status of peripheral regions. In contrast, the new political economy of spaces posits that spatial inequalities are caused by two things: differential access to and power within global markets, and political and corporate decisions to concentrate social and economic resources in areas of advantage (Brenner 2003: 206). In this analysis, the wealth of privileged regions stems from its relationships with other (global) cities and regional centres, while the poverty of peripheral spaces stems more from exclusion than direct exploitation.

Second, these arguments are highly significant because they promote questions of space to the theoretical foreground in the investigation and analysis of economic structures and actions in a 'glocal' world. They assert that the notion of a 'spatial economy' is not simply about economic geography (the geographic patterning of economic relationships) and/or the wealth that is embedded in particular spaces and places. Rather, spatial economies are also (even primarily) about the value and wealth derived from the organization and manipulation of spaces.¹ This focuses attention on the ways that economic spaces are strategically structured (primarily via state policy) and strategically practiced or performed (by corporate actors, local governments and

¹ Indeed, the discipline of economic geography is also grappling with problems of defining, theorizing and analyzing ‘new’ economic spaces and practices. These debates are detailed in Amin and Thrift (2000), Samers (2001), and Yeung (2003).
community groups, and small firms) as means of economic growth and survival. These issues are at the core of the analysis of economic and spatial restructuring in coastal British Columbia that is presented in this thesis.

1.2 State, Community, Local Firm

This transition in the political economy of space is global in scope, affecting both the developing world (where the cultural and economic distance between urban spaces and rural territories is vast and widening – see Yang 1999 on the Chinese case), as well as the world's most advanced capitalist economies (e.g., Jones 2001). This global movement, however, involves the minute splintering of spaces and places. As we will see in subsequent chapters, spatial liberalization is effectively 'multiplying' the spatial arrangements and logics within given industries, regions, and localities. Neighbouring communities can increasingly find themselves embedded in very different spatial economies, depending in large part on the capacity of local businesses to participate in extra-regional economies, as well as the ability of local government and leadership to harness devolved responsibilities to local advantage (Herbert-Cheshire and Higgins 2004: 294-8).

Spatial liberalization and political devolution are recasting the role of localities and communities in global capitalist production. According to Urry (2003: 84), spatial liberalization, or “spatial indifference” as he terms it, has initiated “irreversible and mutually interdependent processes by which globalization-deepens-localization-deepens-globalization and so on. The global and the local are inextricably and irreversibly bound
together through a dynamic relationship, with huge flows of ‘resources’ moving backwards and forwards between the two”.

The present research is in large measure an inquiry into how local-global relationships are patterned in coastal British Columbia. I will argue that this patterning is based both on macro political economy (on the actions of senior governments to re-regulate rural spaces and territories to facilitate ‘Post-Fordist’ global resource production), and on the entrepreneurial efforts and actions of locally-embedded groups and firms. Therefore, I argue that the primary institutional actors shaping local-global relations in coastal BC are state, community, and local firm. The research that is presented here is chiefly concerned with the visions, strategies, and actions pursued among each set of actors in the interests of resolving or ameliorating the economic crisis currently gripping coastal British Columbia. The cornerstone of this investigation is extensive fieldwork and interview research performed in two communities in coastal British Columbia that have been particularly devastated by the collapse of traditional economic structures. These communities – Bella Coola on British Columbia’s rugged and remote central coast, and Port Hardy on northern Vancouver Island (see Figure 1.1) – were until very recently highly prosperous resource-dependent communities firmly embedded in the Fordist model of resource production that dominated BC’s rural economy (cf. Marchak 1983).

As will be detailed in later chapters of this thesis, the prosperity of these communities was built on a dual dependency – first, on the resource endowments of the broader region, and second, on the major corporate firms that dominated the local economy through employment and wages as well as through direct patronage of local
businesses. This corporatist system shaped the economic fortunes of both Bella Coola and Port Hardy into the late 1990s, when it suddenly collapsed for several reasons to be considered later. What has followed is nothing short of an economic revolution, involving the near-complete dismantling of established economic practices, relationships, and institutions. This has occurred alongside the emergence of new forms of corporate action and exploitation of resource spaces, new forms of state intervention and involvement in the rural economy, and new forms of local entrepreneurialism and economic action.

**Figure 1.1**

*British Columbia, Featuring the Case Communities and the City of Vancouver*
The fieldwork and interview research that anchors this thesis was conducted between April 2004 and June 2005, a period of ongoing transition in Bella Coola and Port Hardy. The number of interviews in each community is summarized in Table 1.2, categorized according to the role of the participants. The interview data are supplemented by fieldwork conducted in each community. Most notably, the research period overlapped with community meetings in both Bella Coola and Port Hardy regarding economic development and long-term economic planning. These meetings were open and well-attended, and became forums for wide-ranging discussions among community members and leadership regarding the economic past, present and future. I attended a series of six community meetings in Bella Coola, and two meetings in Port Hardy during the time of research.

Table 1.2
Interviews Conducted in Bella Coola and Port Hardy

<table>
<thead>
<tr>
<th></th>
<th>Bella Coola</th>
<th>Port Hardy</th>
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<tbody>
<tr>
<td>Number of interviews with members of local government</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Number of interviews with members of NGO community groups</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Number of interviews with owners and/or managers of firms</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Total number of individuals interviewed</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Total number of separate interviews conducted</td>
<td>26</td>
<td>21</td>
</tr>
</tbody>
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Some inconsistencies regarding the number of interviews presented in Table 1.2 merit explanation. Foremost, it is important to note that the table does not sum. This is due to the fact that several participants in the interviews were engaged in multiple roles.
and activities. It is not unusual in rural communities for community and business leadership to overlap (cf. Bird and Sapp 2004: 18). In cases where participants’ roles in local government, community groups, and/or private firms overlapped and were relevant to this research, separate interviews were conducted on each topic (although these were often performed consecutively).

Interviewing was targeted to private firms and community leadership because these are primary agents for reshaping local-global interactions in the post-corporatist local economies of the case communities. Local firms in these communities are deeply embedded in the movement towards spatial liberalization. As will be discussed in later chapters, the local economies of Bella Coola and Port Hardy were for many years dominated by corporatist arrangements, where corporate actors (major resource firms) and state officials collaborated to steer and sustain local development (cf. Schmitter 1981: 295; Hayter 2000: 288). As these arrangements have collapsed over the past decade, local firms that relied on one or few clients have been pressured to diversify. Therefore, while spatial liberalization allows major firms greater freedom to manipulate the spaces of production, it means a very different thing for smaller businesses grounded in community. For these, spatial liberalization means that economic life is increasingly unstructured or “unruly” (Sjoholt 1987; Hayter 2000: 288). Survival and growth increasingly depends on firms’ capacities to ‘reach across space’ and form novel connections with extra-regional actors and markets.

Community leadership is also engaged in the reformulation of local-global relationships in the periphery through its struggles with both spatial liberalization and devolution. The deep changes that have gripped coastal British Columbia are creating
great uncertainties in the communities of Port Hardy and Bella Coola. These were formerly regional centres in the Fordist resource economy, providing labour, services, and administrative capacities to ‘glocal’ firms operating in surrounding areas. As this role has diminished, local leadership and community groups are mobilizing new opportunities made available by devolution to engage in what Gille and O’Riain (2002: 277) term “place-making projects”, or initiatives that re-assert that ‘this place matters’ in the regional and global arena.

In both Bella Coola and Port Hardy, the interview population was achieved through purposive sampling. Prior to and concurrent with this research, I performed extensive fieldwork in these communities as a member of The Coastal Communities Project, a research initiative based at The University of British Columbia that is funded by the Social Sciences and Humanities Research Council of Canada’s Community-University Research Alliance program.\(^2\) This knowledge facilitated construction of the sample. For community leadership, this process was straightforward. Key community groups and their leaders were identified through prior experience and consultation with members of local government. The identification of a population of local firms was more complex. First, an effort was made to include both firms that are primarily engaged in production and those primarily engaged in services. Table 1.3 summarizes this distribution across the communities. The small number of production-based firms interviewed in Bella Coola reflects the current reality in that community, whereas the

\(^2\) The Coastal Communities Project (CCP) is partnered with the Coastal Communities Network of British Columbia, as well as the communities of Sechelt, Port Alberni, Port Hardy, Bella Coola, Prince Rupert and Masset. It is also partnered with the First Nation governments of the Sechelt Indian Band, the Tseshelt First Nation, the Gwa’sala-'Nakwaxda’xw Band, the Nuxalk Nation, the Lax Kw’alaams Band, and the Old Massett Band of the Haida Nation. The CCP performs research in collaboration with community partners on issues of social and economic development, health and environmental sustainability, local governance, and education and skills. Ralph Matthews and Bruce Milne are Co-Directors. For more information, see the website: www.coastalcommunitiesproject.ca
economy of Port Hardy is more diverse on this account (see Chapter 4 for a detailed discussion).

Table 1.3

*Interviews Conducted with Production- and Service-Based Firms in Bella Coola and Port Hardy*

<table>
<thead>
<tr>
<th></th>
<th>Bella Coola</th>
<th>Port Hardy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of interviews with owners/managers of production-based firms</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Number of interviews with owners/managers of service-based firms</td>
<td>10</td>
<td>6</td>
</tr>
</tbody>
</table>

Second, the sample of local firms expressly favours businesses that are affected in structure or in practice by spatial liberalization. For instance, retail firms were purposely undersampled in this research relative to their presence in the local economies of the case communities. Retailers have been significantly affected by the decline of Fordism and corporatism in Bella Coola and Port Hardy, but this is for the most part a story of decline rather than restructuring. In the words of one participant,

Retail here is finished. *Interviewer: What do you mean?* Well, there’ll always be retail here, but retail needs a minimum of five thousand people [to be profitable]. So, [our business is] trying to be all things to as many people as possible. That’s how you survive without critical mass. … Retail competition in a place this size, with this economy, is the death of everybody. … As retailers, we know better than anyone what’s happening here. You have to take a very hard look at what everyone else is doing. We will get out of a market when we overlap with other retailers. There’s no room for overlap anymore.

(Male, Owner of retail firm, Interview reference #161)

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3 Interview data are presented throughout this thesis according to an internal referencing system in order to preserve confidentiality.
To best understand experiences and practices of restructuring, emphasis is placed in this research on firms that find themselves (in many cases, suddenly) embedded directly in a network-based economy that extends beyond the local region. For our purposes, network economies are characterized by a reliance on relational processes at or across multiple scales for the survival, growth, and/or day-to-day operations of the firm (cf. Dicken et al. 2001: 91). There are several reasons for this emphasis. First, these cases are simply more interesting with respect to strategy and innovation than are cases of firms that continue to rely solely on a dwindling local market. Second, these are the firms that are most directly involved in recasting the relationships between the case communities and larger spaces and markets. All economies, and particularly those of rural and remote communities, require the ‘importation’ and circulation of capital (Freshwater 2000: 37). Following the collapse of corporatist arrangements, network connections into broader or distant markets are the primary means for this capital movement (cf. Apeadaile 2004: 112).

Third, these are the cases that tell us most about the spatial restructuring that is gripping coastal British Columbia. By examining the understandings, strategies, and actions undertaken by firms in their attempts to reach across spaces and participate in broader economies, we are also investigating the deeper consequences of restructuring to the rural spatial economy. Therefore, the purpose of the interview research is not to achieve a set of principles that are generalizable to the community or the region as a whole. Other forms of research and secondary data will be used on these points. Rather, the interview research that grounds this thesis is rooted in the principles of ethnomethodology, or the assumption that “actors know what they do and we have to

4 This definition is thoroughly considered in Chapter 5, see pages 186-90.
learn from them not only what they do, but how and why they do it" (Latour 1999: 20). The particular strength of this methodology is its capacity to investigate and illuminate the strategies, practices, and processes involved in social action by actively “following the actor through society” (Latour 1987). The interview research is intended to recount the strategies and practices that are currently being used by actors in Bella Coola and Port Hardy in response to the challenges of spatial restructuring. They are stories of adaptation, resistance and innovation that reflect the emerging realities of spatially “unruly” rural development.

1.3 Theorizing Space and Economic Action

Theories of spatial structure, spatial practices, and actions in and across spaces are central to this research. Spatial theory is a crowded landscape that has become particularly complex in recent years. Space is and has long been one of the fundamental categories in the social sciences, as spatial separation and distance have served as convenient means of differentiation and comparison. The assumption that communities, regions, economies, and cultures can be investigated and analyzed according to spatial criteria and categories has been a staple of thinking across sociology, geography, and political science (cf. Massey 1994: 21-2; Urry 2000: 108-9). More recently, types of spatial organization have been used to demarcate different historical eras. Prominent theorists such as Harvey (1989a), Giddens (1990), and Castells (2000) have all linked spatial transformations with deep historical discontinuities. Each explicitly argues that the recent extension of human capacities to manipulate spaces signals the emergence of
new forms of social, economic, and cultural organization (in the forms of, respectively, postmodernity, late modernity, and the network society).

Spatial theory has various manifestations across sociology, and across both physical and human geography (Massey 1999: 261). Of concern here, however, are those understandings of space that suggest a relationship with social phenomena. Very generally speaking, these are of three types that have developed in progression: absolutist/determinist, relational, and network theories.

The absolutist/determinist approach to space is the oldest of these traditions, and has come under intense criticism since the 1960s. Harvey (1969: 402) describes this school as preoccupied with the assumption that space and/or environment directly causes and/or patterns “human activity”. Peet and Thrift (1989: 5-6) link this assumption with the traditional classical liberal orientation of Anglo-American geography, which was interested in classifying cultures, societies, and economies along ‘regional’ lines (see also Massey 1985). For Harvey, geographers’ adherence to Cartesian notions of space (where spatial separations are absolute, measurable, and comparable) was directly culpable for the lingering tendency to geographic determinism, or the idea that geographic positioning causes social, economic, and cultural phenomena (Harvey 1969: 47, 80, 402). As an alternative, Harvey argued for a fundamental reversal of these assumptions. Rather than approaching social phenomena as spatially determined, Harvey posited that the spatial be understood as fundamentally social or relational in nature (1969: 209).

The relational perspective in human geography was further developed in the 1970s and 1980s by critical theorists such as Massey (1984), Thrift (1983), and Peet (1979). This movement achieved tremendous success in reforming the role of space in
social scientific thought. Instead of positing that spatial relations could explain social
structures and relations, the pendulum swung strongly in the opposing direction.

[This] involved a process in which the spatial first had to be demoted in
importance before its significance could be reunderstood in completely different
terms. The first task was to blow apart the notion of a spatial world which was
internally self-explanatory – where spatial change was explained by spatial
factors, where fortunes of areas were explained by their characteristics. ... Spatial
form ... is to be explained not by 'spatial' factors but by, for instance, what is
going on in the economy (Massey 1994: 21-2).

The epitome of this movement was Massey's (1994: 2-4) claim that space could
be conceptualized as “social relations stretched out”, and that place could therefore be
understood as “particular articulations of these relations, [as] particular moments in those
networks of social relations and understandings”. The spatial absolutism or ‘realism’ that
had grounded determinist thinking had been banished to the extent that spatial factors
such as isolation, remoteness, and distance became theoretically awkward, and were in
large measure relegated to the background of geographic and sociological
conceptualizations of space (Young forthcoming).

Attention to space as a social and relational phenomenon has been tremendously
fruitful for sociological and geographic theory and research (Peet and Thrift 1989: 13).
This approach has been very good at developing thorough analyses of how specific
spaces (landscapes) and places (localities) are patterned by relationships of production,
class, and gender, and by powerful institutions such as state, corporation, and family (cf.
Massey 1994). It has been very useful in research into conflicts over the cultural and
economic ‘value’ of particular spaces that are claimed by different interests and groups
(e.g., Cloke 1997; Macnaghten and Urry 1998; Hayter 2003).
In the past decade, a third approach to spatial theory has arisen and grown to prominence. This is the network perspective, which differs substantially from the determinist and relational understanding in that it contains a theory of action. Network theory is complex, with many variants (see Chapter 2 for a more thorough discussion). Generally speaking, however, network theory concurs with the relational approach in its understanding of space as socially constructed and constituted. To a significant degree, the difference lies in level of analysis. While the relational perspective understands spaces to be constructed primarily by relations and institutions (e.g., gender relations, institutions of family and work), network theory understands spaces as constructed primarily by relationships and connections (cf. Graham 1998: 166).

A core assumption of network theory is that networks bridge and construct spaces (Murdoch 1998: 359). The simple observation that networks “are sets of relations that can straddle diverse spaces” has become engrained in current theories of globalization (Murdoch 2000: 408). For instance, O’Riain (2000) illustrates in extensive detail how ‘networked workplaces’ in the knowledge economy allow workgroups separated by continents to collaborate on the production of information technology products. Moreover, a more complex line of inquiry has recently developed to investigate how networks not only bridge spaces, but actively manipulate them. This understanding of space and networks owes a significant debt to the French philosopher Gilles Deleuze, who developed the notion of “crumpled geography” (Deleuze and Guattari 1988; Doel 1996). This approach is metaphorically illustrated by Serres and Latour (1995: 60):

If you take a handkerchief and spread it out in order to iron it, you can see in it certain fixed distances and proximities. If you sketch a circle in one area, you can mark out nearby points and measure far-off distances. Then take the same handkerchief and crumple it, by putting it in your pocket. Two distant points are
suddenly close, even superimposed. If further, you tear it in certain places, two points that were close can become very distant. This science of nearness and rifts is called topology, while the science of stable and well-defined distances is called metrical geometry.

According to Murdoch (1998: 360),

This perspective sees space-time as gathered together, with multiple pleats. Once the folded nature of space-time is recognized then it becomes possible to appreciate how the term ‘network’ might usefully serve as a metaphor for the forces of topological stratification. ... Times and spaces are folded into complex geometries and topologies by series of connections and disconnections.

In the chapters to follow, I develop an approach to spatial structures, practices, and actions that draws in various ways and to varying degrees on each of the absolutist, relational, and network perspectives. This approach is developed with the British Columbian case in mind, although I will argue that it may be more broadly applied. While I reject the method of explanation in the determinist tradition in human geography, I agree with Massey’s (1985: 9) assessment that the critical zeal against absolutist notions of space and deterministic explanation actually “went too far overboard in its rejection of the importance of spatial organization of things, of distance, and perhaps above all, of geographical differentiation”. In considering the situation in coastal BC, I will argue that these latter forces strongly shape economic opportunities and constraints.

Therefore, I will borrow from the absolutist/determinist tradition the simple but often unconsidered assertion that isolation and remoteness are spatial conditions that make the communities of Bella Coola and Port Hardy both unique and somewhat limited in potential for economic growth and diversification. These are places that exist ‘on the margins’ of Canadian economy and geography. This means that local attempts to participate in broader market economies must in some way overcome or ‘manage’ this
spatial reality. While new technologies of transportation and communication allow for the transcendence and manipulation of spaces in some respects, we will see from the research conducted in the case communities that the ‘realism’ of space continues to be a significant factor in how local actors relate to broader (global) economies.

From the relational perspective, I draw the assertion that spaces are structured by key political and institutional decisions and policies. The case communities of Port Hardy and Bella Coola may be isolated in terms of absolute or physical geography, but their status as peripheral places is in large measure a political and institutional construct. In my view, Massey’s (1994: 2) argument that spaces are “social relations stretched out” is a profound political economic statement. As we will see in later chapters, government and corporate interests in the wealth of the resource spaces of rural British Columbia are coming to differ markedly from their interests in the communities that are found in these spaces.

From the network perspective, I draw the notion that the actions and relationships that characterize networks are also powerful configurers of space. Networks facilitate connection and exchange across vast territories, and are therefore means of making distant actors more proximate. However, networks also create structures within space. These structures are of varying stability and durability, but manipulate space by creating bridges and tunnels between distant places (Murdoch 1998: 362; Sheppard 2002: 316). In blending insights from absolutist, relational, and network perspectives on space, this work will present a comprehensive analysis of both the political economy and ground-level mechanics of spatial change on the British Columbian coast.
1.4 New Economic Spaces and Practices in Coastal British Columbia

This thesis argues that the economies of coastal British Columbia are undergoing a fundamental spatial transformation that is recasting the relationships among resources, communities, and broader extra-regional and global markets. This involves the deep reconstitution of the spaces in which economies take place, chiefly by the *liberalization, intensification, and multiplication* of spatial structures, arrangements, and practices. These changes are being driven chiefly by the actions of states, communities, and local firms — all of which are engaged in new strategies to draw value from spatial arrangements.

The investigation and analysis of these phenomena begins in Chapter 2 with a review of past and current understandings of rural spatial economies — specifically of how rural economic spaces are structured, how value is drawn from the organization and manipulation of rural spaces, and how rural political economy is shaped by ‘external’ forces. This discussion centres on the question of how rural territories and communities are understood to ‘fit in’ with larger economies. As we will see, sociological and geographic thinking about rural economies has evolved through several identifiable eras. Most recently, thinking about rural spatial economies has been strongly influenced by globalization theory (cf. Marsden 1999; Murdoch 2000; Hoggart and Paniagua 2001).

Indeed, the concepts and ideas of globalization theory have re-energized rural studies, and a burgeoning literature has now emerged suggesting that the relationships between rural territories and forces operating at a global scale are intensifying (Cloke 1997; van der Ploeg 2000; Apedaile 2004). As we will see, the local-global dynamic is presently the subject of intense theorization in rural sociology and geography. In my
view, network theories are particularly promising in this regard, as they offer significant potential for investigating and understanding both the structure and ‘performance’ of new local-global linkages in rural economies. However, I also argue in Chapter 2 that conventional theories of economic globalization and of network economies give a poor accounting of rural experiences and manifestations of these phenomena. This is because while rural studies has been strongly influenced by contemporary theories of globalization and networks, these have taken very little account of rural conditions and circumstances, to the point that many key theories assume that rural regions are simply ‘left out’ or excluded from emerging global and network-based economies.

I argue that this leaves rural researchers with flawed concepts for understanding how globalization is reforming rural economic structures and practices. As a remedy, I suggest two courses of action. The first is to recast the ‘rural exclusion’ thesis in a manner that recognizes that rural-global interactions are complex and plural. In some respects, rural regions are indeed being excluded from global economies; while in other respects, rural economies are actually being intensely globalized (Hayter et al. 2003: 17). As we will see in later chapters, this interplay is having a deep effect on the spatial economies of rural British Columbia. The second theoretical course of action is to adapt network theory to better address how local economies operate ‘from the margins’ of the new (global) economic environment. To do so, I suggest that ‘network-based economies’ be re-conceptualized not as things (as clusters, agglomerations, districts, chains, circuits, etc. – terms derived from urban research), but as phenomena that are “performed”. This reorients ideas about networks from questions about network forms to what Thompson
(2003: 7) terms “the ‘work’ of networks”, or the (often messy and incomplete) ways that actors labour to access or construct different kinds of social and technological networks.

Following this discussion, I examine how the spatial economies of coastal British Columbia are being reshaped in a ‘global’ context through the actions of states, communities, and local firms. Chapter 3 considers the actions of states (the governments of British Columbia and Canada) to restructure the spatial organization of BC’s rural economy. As previously mentioned, senior governments are faced with a significant dilemma following the extended crisis in Fordist resource production in rural British Columbia – a dilemma of how to enhance productivity and competitiveness in traditional resource sectors while buffering rural communities from economic ruin. I will argue that this dilemma is currently being addressed through the twin strategies of liberalization and devolution. Using language from the regulationist school of political economy (cf. Jessop 2002; Brenner 2004), I posit that senior governments are purposely manipulating the spatial economy of rural British Columbia in order to maximize the values that may be extracted from resource and community spaces. Fundamentally, this involves the segregation of resource industries and community into separate economic systems and spatial logics. I will argue that this strategy envisions two separate forms of globalization in the periphery, one that is space-intensive (aimed at liberating major resource firms from spatial restrictions and commitments to locality), and another that is place-intensive (fostering direct local-global relationships based on community assets, skills and labour).

Chapter 4 deals with the role of community in spatial restructuring. Here, I turn to the specific experiences of spatial change in the case communities of Bella Coola and
Port Hardy. In both cases, the communities have undergone a substantial transformation in their role in their respective regions, essentially having been demoted from status as a regional centre to a more ambiguous condition. But at the same time, community leadership in both places is invested in the imagination and establishment of ‘community economic spaces’, or spaces that in some way seek to influence or regulate relationships between community and market, local and extra-local spaces. These are acts of creativity, adaptation, and sometimes direct resistance. Above all, however, they are attempts to reassert that ‘this place matters’ in the regional and global economy. In the new policy environment that devolves responsibilities for development to communities, these actions play a significant role in re-connecting local economies with extra-regional and global economic spaces.

Chapter 5 concerns local firms. It examines the strategies and efforts of local businesses in Bella Coola and Port Hardy to navigate the new spatial economy and participate directly in broader and/or distant markets. To address this, I develop a theoretical schema to examine how network connections and movements from the margins involve elaborate coordinations of the physical, technological, and social dimensions of space. Specifically, I argue that actors’ capacities to reach across spaces depends upon their capacities to ‘perform distances’. This hinges on actors’ abilities to simultaneously configure three elements or dimensions of ‘the spaces in between’ community and (global) markets: the physical ‘realism’ of geography, the technologies that bridge or compress distances, and the social relationships that anchor network connections.
The final and concluding chapter merges the analyses of the actions of state, community, and firm in a discussion of future directions in rural development. Rural British Columbia is undergoing a profound transformation from a highly structured economic system based on the principles of corporatism and Fordism, to one that is fundamentally “unruly” (cf. Sjoholt 1987; Hayter 2000: 288). The new unruly economic condition is strongly neoliberal, in that corporate and government decision-making regarding investment, funding, and the value of particular spaces and places is increasingly based *solely* on market principles and criteria. This suggests that rural spaces are in the process of being “splintered” or fragmented (cf. Graham and Marvin 2001), where the ideal of spatial uniformity in development is giving way to a condition where rural spaces, places, and people are required to ‘find their own way’ in the global economy. As such, the spatial reforms and practices discussed throughout this thesis are central to the emergence and institutionalization of new forms of both opportunity and inequality in the periphery. These will arguably be the most profound effect of the establishment of new economic spaces and practices in rural British Columbia.
Chapter 2

Theoretical Background:

Rural Economies in a Global Context

This chapter reviews past and current sociological and geographic thinking about rural spatial economies – specifically the question of how rural economies are spatially structured by local and 'outside' influences. As we will see, this question has a long legacy in the social sciences, and is evident in canon such as Durkheim's writings on the division of labour in society. Most recently, sociological and geographic thinking about rural economies has been strongly influenced by the literature on economic and cultural globalization. This association has contributed to an invigoration of rural studies, as new theory and research is being rigorously pursued to address how rural economies, symbols, and politics are affected by and/or 'fit in' to global markets and discourses (cf. Cloke 1997).

In my view, the concepts and analyses advanced in the globalization literature are indeed key to investigating and understanding the transformation in rural spatial
economies in coastal British Columbia (which is the primary subject of this research). However, in this chapter I argue that these concepts must be adapted in order to better address rural experiences and circumstances. Specifically, I find that major concepts and logics of the literature on globalization oftentimes translate poorly to rural situations and conditions. First, many prominent theories of globalization assume that rural areas are 'less global' than their urban counterparts, or are in large measure excluded from the 'new' logic of the global economy (Hayter et al. 2003: 17). Second, much of the literature on network action and network-based economies (which are integral to current theories of economic globalization) proceed on concepts that have little meaning in rural settings, such as agglomeration, clusters, and districts.

Therefore, I propose two theoretical courses of action in adapting globalization theory to investigation of spatial restructuring in coastal British Columbia. First, I argue that the 'rural exclusion' thesis ought to be reconsidered. In some respects, rural regions are indeed being excluded from global economies; while in other respects, rural economies are being intensely globalized. In other words, rural-global interactions are complex and varied. This assertion is central to the analysis of state action that is undertaken in Chapter 3, where I argue that the governments of British Columbia and Canada are presently attempting to establish 'plural globalizations' in rural regions of the province – one that is based on the vast resource wealth embedded in rural spaces, and another based on the 'entrepreneurial' capacities of local actors. This approach is also key to Chapter 4, where I consider the impact of these strategies on the spatial economies of the case communities of Bella Coola and Port Hardy.
The second theoretical course of action is to adapt network theory to better address the ‘globalization’ of local economies in rural communities. The research that I will present in later chapters clearly demonstrates that the local economies of the case communities are ‘going global’ (through the actions of state, community, and firm). To address and analyze the emergence of network-based economies on (and from) the margins of the global economy, I argue that more attention needs to be paid to how network connections and movements are “performed”. This involves paying significant attention to how actors mobilize social and technological resources in order to ‘reach across space’ into distant markets and spaces. This approach is key to the analysis of the transformation of local economic action that is presented in Chapter 5.

2.1 Early Understandings of Rural Political (and Spatial) Economy

This research is both critical of and reliant upon the core concepts of theories of economic globalization. As previously mentioned, the literature on globalization has sparked a reinvigoration of rural studies, including a rethinking of rural political economy and spatial economies. In order to understand this resonance (which has not been reciprocated, as theories of economic globalization deeply neglect rural situations and circumstances), I begin with a brief review of the theoretical road travelled in sociological and geographic understandings of the political economic and spatial structuring of rural economies.

This is not a simple task, as rurality and the urban/rural tension rank among the founding preoccupations of the social sciences. Very generally speaking, three eras are identifiable within rural studies: an early period preoccupied with theorizing rural
distinctiveness, a critical neo-Marxist period concerned with theorizing rural 'deprivation' and inequality as part of larger capitalist relations, and the latest period that has variously been termed a "cultural turn" (Cloke 1997), a "complexity turn" (cf. Thrift 1999a), or the emergence of a 'rural global' analysis (cf. Ray 1999a: 523). In the following, I very briefly discuss the first two periods in rural thought as a precursor to current theory and debate. As we will see, the emerging third era involves a distinct break from previously dominant ways of thinking about rural economies and inequalities – a fact that may explain its late development in comparison with influential urban-based research on globalization.

The intellectual history of rural studies has been marked by alternating periods of deep conservatism and significant theoretical innovation (Newby 1983: 67-8; Marsden et al. 1990: 1-2). Understandings of rural political economy in the late nineteenth and early twentieth century were strongly influenced by the ongoing upheaval from the Industrial Revolution. Specifically, the enclosure movements and migration of labour to the cities prompted significant attention among European social theorists to the social distinctions between urban living and 'the rural idyll' (Nisbet 1966: 28-9). This thinking was ambivalent. On the one hand, urbanism was associated with economic and political progress. This is clearly evident in Durkheim's influential discussions of the division of labour in society, where the mechanical solidarity of small communities and groups gives way to an organic solidarity that greatly expands productive and political capacity in societies and "civilizations" as he terms them (1973: 121-5). On the other hand, urbanism was also associated with the darker side of modernity. Tocqueville captured this directly in his writings about the city of Manchester, England.
From this foul drain the greatest stream of human industry flows out to fertilize the whole world. From this filthy sewer pure gold flows. Here humanity attains its most complete development and its most brutish, here civilization works its miracles and civilized man is turned almost into a savage (Tocqueville 1958, quoted in Nisbet 1966: 29).

Therefore, the urban-rural relationship has from the origins of modern social theory been imbued with significant tensions. Most evidently, there is the tension of difference and discontinuity between urban and rural forms of social organization. Alongside Durkheim’s division of labour, this tension is most evident in Tonnies’ (1954 [1887]) classic distinction and contrast between Gemeinschaft and Gessellschaft. While these terms refer primarily to forms of social organization (communalism versus free association or contractualism), they were considered and used by contemporaries and later theorists as synonymous with rural and urban values, norms and structures (cf. Nisbet 1966: 74; Christenson 1984: 160). Thus rural and urban were in many ways embodiments of tradition and modernity, past and present. Underlying this, moreover, is a tension regarding historical or evolutionary tendencies. Urbanism was clearly the path to material progress, but also represented a social or cultural regression, where ‘natural’ forms of human organization were replaced by artificial social orders.

This basic thesis regarding the inherent differences between urban and rural social structures, norms, and behaviours had a strong and lasting influence on rural studies (Marsden et al. 1990: 1). These assumptions, which became known as the ‘rural distinctiveness’ or ‘rural exceptionalism’ thesis, were extended in the twentieth century to address questions of production and “rural deprivation”. These works approached rural poverty and inequality as primarily rooted in differences and structural barriers between rural and urban economies, cultures, and forms of social organization.
The distinctiveness approach was widely used in both sociology and geography, albeit in different forms. Sociological studies of rural deprivation typically posited that rural poverty and inequality ‘functioned’ differently than in urban settings. For instance, in an influential article in the *American Journal of Sociology*, Stinchcombe (1961) presents an analysis of rural class relations that is premised on the notion that “property is far more important in rural stratification than in urban stratification, where occupational position predominates” (p. 165). This leads Stinchcombe to argue that rural inequality rests on dynamics of legal privilege and style of life to a much greater degree than in urban settings (1961: 176). As such, he suggests that efforts to address rural poverty or inequality target institutions of property rather than occupation or wage alone.

In geography, the distinctiveness thesis was intertwined with geographical determinism, or the notion that geography causes or determines social, economic, and cultural conditions and differences. For instance, Massey (1979) argues that the bulk of economic and human geography work to address rural and regional disparities that had emerged to that point had proceeded on the assumption that these inequalities reflected a “regional problem”. By framing the problem this way, Massey argues that inequalities are assumed to hinge on regional deficiencies rather than “the outcome of the relationship between the requirements of private production for profit and the spatial surface” (Massey 1979: 241). In other words, underdevelopment had been (often implicitly) attributed to differences in the attributes of urban and rural places rather than the spatial selectivity and exploitative tendencies of capitalist production (see also Matthews 1983: 3).
Thus, the rural distinctiveness argument contained a rather narrow conceptualization of rural political economy. The assumption that rural economies operate according to distinct principles (particularly with respect to labour and production) meant that prosperity and under-development were typically explained on the principles of comparative advantage, or the degree to which rural economies could be harmonized with the demands of central economies (cf. Markey et al. 2005: 50). According to this logic, rural regions that were able to modernize and/or ‘specialize’ in a manner that allowed them to integrate into the larger economy (for instance, through industrial agriculture or small manufacturing) were at a distinct advantage over regions that continued to be mired in rural ‘backwardness’ (cf. Rostow 1960; Chenery 1961).

Newby (1983) has argued that the steady integration of rural and urban economic, institutional, and cultural systems throughout the twentieth century gradually made the rural distinctiveness thesis untenable. However, this ‘integration’ argument may be an empirical reach, and the intellectual and theoretical evolution of sociology and geography is likely a more plausible explanation for the decline of this perspective. First, it is important to recognize that the rural distinctiveness thesis was strongly challenged in Canadian political-economic thought by the staples thesis of development. The staples thesis, which was first articulated by Innis (1930; 1933) and became very influential following its revisitation by Watkins (1963; 1977), understood rural economies as tied to (rather than distinct from) industrial capitalism. The kernel of the staples approach is to understand how different economic geographies, institutions, and relations emerge in rural territories based on staples economies, or the particular demands that central economies have on rural resources and labour (Markey et al. 2005: 51; Hayter and Barnes
1990). This essentially turned the distinctiveness argument on its head, positing that rural economic structures and spaces are not built on different processes and structures than are ‘central’ economies (and which must be broken down in order for development to proceed), but are in fact directly shaped by the latter.

While the influence of staples theory has been limited outside of Canada, this basic premise anchored later neo-Marxist challenges within Anglo-American sociology and geography to the distinctiveness thesis (cf. Watkins 1977: 83; Bunker 1989: 394). As mentioned in the previous chapter, the determinist perspective in geography was strongly challenged by the rise to prominence of a relational perspective in human geography that took issue with notions of “regional problems” by arguing that spatial arrangements are in fact determined by social relations (cf. Massey et al. 1999). A similar movement took hold in the sociological side of rural studies. Like staples theory, the new neo-Marxist perspective explicitly argued against the notion of rural distinctiveness, and posited that rural economic structures (including poverty and deprivation) were primarily the result of the dominance of rural areas by capitalist systems and relations rather than their differences from urban economies. Unlike staples thinking, however, these arguments often advocated an aspatial analysis of the rural condition.

Although rural areas do display particular characteristics which make them different from urban areas (a pleasant environment, a spaced-out geographical structure, and a distinctive local political ideology), such aspects of rurality are not the cause of deprivation, which is fundamentally similar whether experienced in an urban or a rural location. Two implications emerge from this…: first, that research into the causes of rural deprivation must view social, environmental, and economic problems in the countryside as localized manifestations of aspatial processes; and second, that attention could be more profitably be paid to the producers rather than consumers of deprivation (Cloke 1989: 172, drawing on Moseley 1980, emphases added).
The core of the neo-Marxist critique of the distinctiveness thesis is that rural regions and communities are embedded in larger economic arrangements over which they have little control or influence. Moreover, these arrangements have been purposely constructed through policy, property rights, and corporate interests as means of systematically exploiting rural spaces and populations. This is also the root of theories of regional dependency, which were widely debated and applied in Canada (e.g., Cuneo 1978; Clement 1978; Matthews 1983; Warriner 1988). This branch of dependency theory understood rural labour and community to be doubly exploited. First, while urban systems of production and consumption were clearly dependent on rural resources and labour, their control over capital and politics allowed urban metropoles to systematically expropriate rural wealth while using rural communities as a store for reserve labour (cf. Matthews 1983: 70). Second, rural labour and communities were dominated by local elites who benefited from the extraction and export of wealth. According to Matthews (1983: 71-3), local elites in peripheral regions often serve as “bridgeheads” for powerful corporate and state actors to entrench relations of dependency. Clement (1978: 117) goes so far as to label local elites as agents of urban or “core” economic interests that are then rewarded with positions of prestige and power once corporatist dominance of local economies is established.

In sum, the neo-Marxist movement in rural studies was united in its insistence that rural territories are embedded in larger political economic systems (an assertion shared by staples theory, neo-Marxist geography, and theories of regional dependency). Rural regions are not exceptions or laggards on the march towards modernization. Rather, their spatial and social status are in part or in whole deliberate achievements of state and
capitalist actors. These actors levered their significant political and economic power to establish series of metropole-hinterland relationships, where urban centres could draw on the wealth of the surrounding region to enhance prosperity and quality of life in the core (Bradbury 1979: 152). Therefore, rural inequalities were not exceptional or distinct from the forces ruling the ‘centre’, but were understood to be the direct product of intense but unequal relationships between centre and periphery (urban and rural).

2.2 The ‘Rural Global’

In recent years, rural studies in sociology and geography have moved away from or at very least redefined the urban-rural tension. This is primarily due to the tremendous influence of globalization theory. While major conceptualizations and analyses of globalism have tended to ignore or discount rural phenomena, the globalization movement in theory and in practice has had a powerful influence on rural studies. Globalization theory is a vast and diverse terrain that has advanced and changed markedly since its emergence in the late 1970s and early 1980s. Within this broad movement, three threads of globalization theory in particular have had a strong influence on thinking about rural political and spatial economies. These are: the (now largely discredited) homogenization thesis, which assumed that globalization would annihilate differences between localities; the local-global or ‘glocalization’ dynamic, which countered assumptions about homogenization and argues that the interactions and relationships between localities and global forces are intensifying; and network theory, which has become the flagship theory of studies of economic globalization and the
primary means for understanding both the horizontal (spatial) and vertical (scalar) connections that drive the global economy.

The homogenization thesis and rural studies

Since its earliest manifestations in radical political theory in the 1960s and 1970s, globalization has become a major concept and area of theory and research in the social sciences (cf. Modelski 1972; Held et al. 1999: 1). Mittelman (2000: 3-8) argues that much of this popularity has stemmed from the ability of globalization theorists to lay claim to a vast theoretical and empirical territory. By including analyses of politics (the blurring of national boundaries and emergence of global systems of trade and governance), economics (capacities to compress space and minutely coordinate production across vast distances) and culture (the emergence of global, local, and glocal discourses and mobilities), globalization appears as a unified phenomenon rather than, as Mittelman (2000: 4) advocates, “a syndrome of diverse processes and activities”.

The discussion that follows is predominantly concerned with theories and concepts aimed at addressing economic globalization, as this is the general emphasis of the current research and has had a particularly strong influence on rural studies. Early theories of economic globalization understood the emergence of the global scale of social, political, and economic organization as a homogenizing and universalizing process that was being imposed on world populations. According to Held and colleagues (1999: 13),

This thesis is based on a rather deterministic conception of globalization as an ‘iron cage’, which imposes a global financial discipline on governments, severely constraining the scope for progressive policies. ... According to this view, despite
different partisan commitments, all governments and societies have been pressed in the same direction.

The homogenization thesis was generally neo-Marxist in orientation, arguing that the expansive nature of capitalism was replacing national and local systems with an overarching logic of global production (e.g., Teeple 1995: 69). The assumption that capital and economies were increasingly ‘footloose’ and moving beyond the influence and control of local and national institutions was widely held in the 1980s and into the 1990s (e.g., Drucker 1989; Ohmae 1995; Cairncross 1997; Kiely 1998). This thesis resonated with the preoccupation in rural studies at the time with theorizing modes of rural domination. In many cases, the term global was substituted for ‘centre’ or ‘urban’, so that the dependency and domination of rural regions was expanded beyond the metropolis-hinterland relationship to encompass the whole world of global production (cf. Urry 1984: 55; Marsden et al. 1990: 7-10; Glasmeier and Conroy 1994). In other words, the early work on globalization suggested that rural regions were not only exploited by regional or national capitalism, but also by powerful actors embedded in an emerging global economic space.

The popularity of these ideas continued the assault within rural studies on the idea of rural distinctiveness or exceptionalism. For many rural theorists, the globalization of capital and production meant that the specific spatial conditions of rural regions were even less important to inequality and deprivation than under the metropolis-hinterland dependency relationship. If globalization was homogenizing economies around the world, it was assumed that the particularities of space and place would become less significant to economic activities and structures. It is in this context that Marsden et al.
(1990: 9-10) wrote that rural globalization (termed here the “restructuring thesis”) is associated with “decreased significance of spatial criteria” in rural economies.

The [rural] restructuring thesis assumes the decreased significance of spatial criteria. This is replaced by ... an emphasis upon the ways in which capital accumulation seeks out exploitable spaces largely associated with the relative quality and costs of human labour power. Thus, the concept of the ‘ruralization’ of industry in North America and Western Europe is not so much a process caused by the geographical features of urban and rural places, but rather a consequence of; (i) the international and national restructuring of traditional capital, and (ii) the differential changes in the ease of exploitation between one area and another.

But even as it was being articulated, the homogenization thesis was being challenged on both empirical and theoretical grounds. Culturally-minded social scientists including Hall (1989a, 1989b) and Appadurai (1990) wrote about processes of “indigenization”, whereby global forces take on very different forms and effects across different cultural and political landscapes. For instance, Hall (1989a) advanced the notion of “absorptive homogenization” as a means of explaining the march of global capitalism and mass culture.

[Global capital] is enormously absorptive of things, but the homogenization is never complete. ... This is a form of capital which recognizes that it can only rule through local capitals, rule alongside and in partnership with other economic and political elites. It does not attempt to obliterate them; it operates through them (Hall 1989a: 28).

This attention to the local-global interaction was also being pursued in economic geography. For instance, Scott (1989) penned a seminal article regarding the geography of ‘global Post-Fordism’, where he argued that the pressures of global capitalism were prompting the emergence of “new industrial spaces” in advanced Western economies, based on the agglomeration of similar industries in particular places – specifically those with a flexible and skilled pool of labour and producer services (Scott 1989: 176-9). In
both popular and academic writing, these ideas became central to explaining the successes of intense ‘localities of globalization’ such as California’s Silicon Valley (cf. Saxenian 1994). The legacy of such arguments in the assertion (which is so widely accepted now to seem self-evident) that the endowments and character of particular places have a strong impact on how they relate to the global economy.

Yet while arguments such as Scott’s would be widely influential, and make key contributions to development policy in Europe (Ray 2000) and North America (Che 2003; Young and Matthews 2005), they were strongly criticized at the time by traditional political economists loyal to the homogenization thesis. For instance, Lovering (1990) took Scott to task for assuming that agglomeration is caused by firms’ willingness and ability to pursue local advantages as part of a Post-Fordist strategy. Instead, Lovering argued that most agglomerations can be historically understood (for example, as outgrowths of the state-controlled military-industrial nexus). As such, these regions were not challenges to the homogenizing force of global capitalism, but rather stand somewhat outside of it (Lovering 1990: 169).

**The local-global dynamic and the ‘complexity turn’ in rural studies**

Generally speaking, globalization theory shifted throughout the 1990s to embrace study of local-global dynamics (or ‘glocalization’). This ameliorated two key problems and oversights that had plagued the homogenization thesis. First was the assumption in most of this literature (albeit often implicitly held) that traditional powers and institutions of the nation-state were being eroded by the march of globalization (cf. Teeple 1995: 69). While this assumption was not always articulated, it was central to the homogenization
thesis – if globalization was breaking down spatial and cultural differences, then this certainly involved the demotion of the state and its powers (Held et al. 1999: 4).

In asserting that globalization turns primarily on the relationship of local and global, the question of state power could be recast. Rather than understanding state sovereignty and global forces as zero-sum, the local-global perspective suggests that state powers are being re-articulated by the globalization movement (Held et al. 1999: 9). Instead of assuming that state power is synonymous with domination or outright control over ‘national’ economies, regulation theorists such as Swyngedouw (1997), Sum (1998), Jessop (2002), Brenner (2004) and O’Riain (2004) argue that states continue to exercise power by playing a major role in determining the manner in which local and global interactions occur within given territories and localities. State decisions regarding development policy, centralization or decentralization of institutions and services, subsidy and redistribution are understood to be particularly important in this regard (Jessop 2002: 168; O’Riain 2004: 116). Therefore, decisions on ‘domestic’ policy (including the concentration of state investment in infrastructure, education, and health) strongly influence how local and global intersect and interact across the different regions and localities of the nation-state (O’Riain 2004: 105-9). This is a strong departure from assumptions that spaces within and across nations are being rendered homogenous or interchangeable. Instead, it can be argued that they are being ‘splintered’ with the full consent and participation of governments (more on this in Chapter 3).

The second problem of the homogenization approach that is ameliorated by the local-global perspective relates to ‘globalization from below’, or the active participation of billions of people in the construction of global forces, global connections, and global
discourses (Burawoy 2000: 29). Early articulations of globalization as a homogenizing or universalizing phenomenon identified transnational corporations and supra-state organizations (such as the International Monetary Fund and World Bank) as the primary actors in the constitution of global spaces and structures (e.g., Ohmae 1990: 9). While these are indeed powerful players in global politics and institutional arrangements, so too are those “global mobilities” constituted by individuals making choices about investment, travel, migration, and communication (Urry 2000: 27-9). Attention to the local-global dynamic allows for understanding the multi-dimensional ‘uneveness’ of these movements, mobilities and flows – how certain territorial and/or cultural ‘sites’ are shaped by resistance, creativity, and imaginations both ‘from above’ and from below (Mittelman 2000: 172).

The shift in globalization theory and research from the homogenization thesis to the local-global (glocal) perspective has opened the door for a profound re-conceptualization of rural political and spatial economy. In direct opposition to the position that “spatial criteria are of decreasing significance” in rural studies (Marsden et al. 1990: 9), arose the notion that the multiplication of connections among actors, localities, and interests across local and global scales is prompting “an explosion of spaces” (Brenner 2004: 1). Thus Marsden (1999), only a decade after the above quotation, made a wide-ranging and comprehensive call for the recasting of rural studies around the local-global dynamic. In his view, this would require a re-conceptualization of rural spaces as “ensembles of local and non-local connections, of local actions and actions at a distance” (1999: 109).

We need to give more attention to the combination of local and non-local processes which impact together upon rural areas, and to assess how different
local and non-local combinations configure in different rural spaces. ... Different development processes collide in the same rural spaces, with different dominant social formations and regulatory authorities to modulate and reshape these processes. We have to conceive rural spaces as ensembles of local and non-local connections, of combinations of local actions and actions "at a distance", situated in regional economies and different institutional contexts. In this sense, different rural spaces have different combinations of networks to which they are connected (Marsden 1999: 109).

Marsden's latter vision reflected a trend within rural sociology and geography to reconceptualize rural spaces and places as sites for the meeting of local and global phenomena. Generally speaking, this research has developed in two streams: one that has been distinctly cultural or discursive in nature, and another that is more economic in tenor. With respect to the former, research in this vein tends to investigate how particular territories and landscapes have become sites of intensive meetings (and often conflicts) among global and local institutions and discourses. Lash and Urry's influential 1994 volume Economies of Signs and Spaces and Urry's Consuming Places (1995) are cornerstones of this literature. Generally speaking, these works argue that the transition away from Fordist production and "mass" consumption is concurrent with "the culturalization of economic life" (Lash and Urry 1994: 109). This means that processes of both production and consumption have become more flexible and aesthetically-oriented. As such, new economies of taste and experience (of "signs and spaces") are emerging that have a very selective relationship with particular territories and places. In short, the relationship between localities and "global economies of culture and experience" fluctuate depending on which groups find particular territories to be 'attractive' and for what reasons (Lash and Urry 1994: 216).

The British Columbian case has in fact been a key site for this type of cultural/discursive research. For instance, Magnusson and Shaw (2002) present a
sophisticated analysis of the conflict over resource development in Clayoquot Sound as an instance of local-global interaction. For them, the territories and landscapes of Clayoquot have become a key site for “reading the global”, meaning that the territories of the Sound became (and remain) a point of intersection and expression of global discourses about society and nature, colonialism, patriarchy, Fordism, aesthetic values, and urbanism (Magnusson and Shaw 2002: 8; Magnusson 2002: 117).

The second stream of research into rural spaces as meeting of local and global is chiefly concerned with economic issues in rural development. This body of work understands the intensification of local-global interactions and relationships in rural areas to be an opportunity for endogenous or ‘ground-up’ forms of development. The key, however, is the capacity of local actors to harness or in some way control this relationship. For instance, Ray (1999: 525) writes that each rural community has a “repertoire”, or a “cultural system [that] provides part of the raw material for people’s creativity and is the sum of tangible and intangible features and resources associated with a territory”. These repertoires constitute “frameworks for local agency” (1999: 527).

A repertoire functions dynamically as a mediator between the local territory and the extralocal level. A territory possesses the capacity of agency although not in the orthodox meaning of an autonomous actor enjoying complete freedom of choice of actions and outcomes. Rather, the capacity for agency has to be seen as interrelated with extralocal factors, in that the latter impact on local conditions and can be recruited by territories into their strategies (Ray 1999: 534).

Simply put, the intensification of local-global relationships means that the character of these relationships are guided by the social, cultural, and natural ‘assets’ of the community or territory. Ray’s particular insight is that local capacities to coordinate and control these assets (i.e., to convert them into ‘repertoires’ that can be used in various ways) is increasingly vital to rural community development.
This view is shared by van der Ploeg et al. (2000) in a seminal article reviewing current thinking on rural development in advanced capitalist nations. According to these authors, rural development has become a “multi-level, multi-actor, and multi-faceted process” that involves relationships between global, sectoral, and household actors and institutions (2000: 392-3). The creation of rural values depends increasingly on the capacity of actors and organizations at all scales to create “synergies” across territories, sectors, and scales. Synergies involve the ability of local firms to ‘plug into’ broader organizational or discursive arrangements – such as the (urban) organic food market in agriculture. This implies a new kind of ‘specialization’ in rural economies. While the paradigms of Fordism and modernization “fostered an ongoing specialization in rural industries such as agriculture and envisaged a segregation of agriculture from other activities, the synergy paradigm stresses that different activities ... such as organic farming and agro-tourism ... can combine in ‘win-win situations’” (van der Ploeg et al. 2000: 393).

In summary, rural studies has been strongly influenced by the broad trends in globalization theory, despite the fact that the latter has been dominated by urban theory and research (Hayter et al. 2003). This influence has prompted two major shifts in rural theory and research over the past several decades. First, it has moved from a concern with the metropole/hinterland, urban/rural dichotomy to a conceptual agenda that stresses the relationship of rural and global. Early formulations of the rural/global dynamic were intentionally aspatial, as emphasis was placed on the intensified ability of global capital to penetrate and organize rural spaces. The second shift in rural theory is associated with the reconsideration of this thesis in light of theoretical advances and empirical research.
demonstrating that globalization is a heterogeneous movement that interacts with locality. This has focussed strong attention on networks and territorial ‘repertoires’ as channellers of influence (economic and discursive) into and out of rural places, and therefore as determinants of local political and cultural economies.

2.3 Problem I: the assumption of rural exclusion

The preceding discussion shows that rural sociology and geography have been sites of significant theoretical innovation over the past several decades due in large part to the influence of globalization theory. This influence, however, has been very one-sided. While rural theory and research has drawn concepts, logic, and inspiration from theories of economic and cultural globalization, these have deeply neglected rural experiences and circumstances.

On the one hand, this is not in itself problematic, as rural theorists have proven adept at borrowing concepts from this literature to address “key questions of society/space, nature/culture, structure/agency and self/other ... [in rural settings], with a particular focus on landscape, otherness, and the spatiality of nature” (Cloke 1997: 367). On the other hand, this neglect is deeply problematic. For instance, Hayter et al. (2003) argue that the globalization literature’s preoccupation with urban phenomena has led to a deeply skewed understanding of how global economies are organized. Their critique is particularly aimed at theories that assume that the global economy is increasingly structured around key urban centres to the neglect of the vast resource-based economies and territories that continue to drive global wealth and production (Hayter et al. 2003: 17). Hayter and colleagues’ key point is that by conceptualizing economic globalization
in narrow terms, the power of these theories and concepts to explain alternative or non-ideal-typical manifestations of this movement is greatly reduced.

In the current [globalization] discourse, agglomerations, cores or districts are conceived as 'sticky places' that are diverse, interesting, and whose experience is at the explanatory heart of economic geography. ... The other side of this metaphorical coin casts peripheries in the role of 'slippery spaces', unstable, ephemeral and, while potentially interesting illustrations of uneven development, scarcely relevant to a basic understanding of processes underlying spatial unevenness, which are ultimately seen to reside in the core. ... [But] for the global economy to function, the core must constantly seek out new sources of the resources it consumes in ever increasing quantities, and increasingly those resources must come from peripheral regions. A truly global economic geography cannot exclude the larger part of the world that comprises the periphery. Theorizing from the core, or using the experience of the core as a conceptual template, is inadequate [for a comprehensive understanding of economic globalization] (Hayter et al. 2003: 17).

This is the primary problem with contemporary theories of economic globalization as applied to the present research. As we have seen, rural studies draws extensively on concepts and ideas advanced in this literature. However, the notion that we can explain rural phenomena (in our case, the restructuring of 'Post-Fordist' rural spatial economies through the actions of state, community, and firm) using the predominant logic of theories of economic globalization is flawed. Yet this is not an irreparable problem. In this section, I argue that the explanatory value of globalization theory can be significantly enhanced by abandoning the simplistic assumption that rural territories are somehow 'outside' the globalization movement, and recognizing that these are in fact sites of complex or plural globalizations, where different components of the rural economy are opened up to different 'global' fates.

Somewhat ironically, the assumption that rural regions and populations are increasingly excluded from the globalization movement is most prominent in the literature that has had the strongest impact on rural studies – specifically that
emphasizing local-global or 'glocal' connections as the key organizing principle of the global economy. This disjuncture appears to be partially based in discrepancies in level of analysis. As discussed previously, much of the attraction of 'glocal' theory in rural studies is its invitation to address tensions in rural localities and economies as being both 'locally' and 'globally' grounded (e.g., Marsden 1999; Hayter 2003). But it is important to note that the emphasis in these analyses typically remains on the particular space in which local-global relations are articulated. For example, this is certainly the case with Magnusson and Shaw's (2002) very convincing attempt to "read the global" through the resource conflict at Clayoquot Sound, where conflicts over local forestry have meshed with broader (global) conflicts over trajectories of development, gender and ethnic relations, and state authority. Within rural studies, the 'glocal' thesis has been a way to investigate and explain particular instances of local-global interaction.

This contrasts with the aim of broader theories of economic globalization, which attempt to address and explain the 'global' structure of economic systems that are based on "billions of iterations of local-global relationships across multiple spaces and times" (Urry 2003: 46). Reducing the iterative complexity of economic globalization to axioms and tendencies invariably involves simplification. However, major contemporary theories of economic globalization tend to assume that what is occurring in and to urban economies and spaces provides the explanatory template for the globalization movement as a whole.

Assumptions about rural exclusion are strikingly widespread in the prominent literature on economic globalization. In some cases, this is simply due to neglect. As Hayter and colleagues (2003: 17) argue, many researchers plainly consider urban
phenomena to be more interesting than rural developments. What is more problematic are those cases in which rural exclusion is used to explain how the global economy works. This proposition clearly limits the utility of theories of economic globalization to explain rural experiences (because it casts these regions and populations as somehow outside of new economic logics and structures). For instance, Castells' (2000; 1998) highly influential work on "informational" and network capitalism proceeds on the assumption that vast territories are being excluded or located outside of the global economy.

Informationalism creates a sharp divide between valuable and non-valuable people and locales. Globalization proceeds selectively, including and excluding segments of economies and societies in and out of the networks of information, wealth, and power that characterize the new, dominant system. ... This is based on the exclusion of people and territories which, from the perspective of dominant interests in global capital, shift to a position of structural irrelevance. This widespread, multiform process of social exclusion leads to the constitution of what I call, taking the liberty of a cosmic metaphor, the black holes of informational capitalism (Castells 1998: 165).

Similarly, Sassen's (1991; 1998) celebrated writing on "global cities" and the establishment of global inter-urban systems of capital and finance also proposes that the vast 'spaces in between' the privileged spaces of global cities are systematically excluded from this new economy. For Sassen, the global economy is in all respects an urban economy – one that is built on urban processes (as centres of command and control), and one that increasingly reflects urban tensions and preoccupations (regarding all things from innovation to migration to values – Sassen 1991: 323).⁵ Importantly, this urban dominance is assumed to proceed on the exclusion of "peripheral territories".

Alongside new global and regional hierarchies of cities and high-tech industrial districts lies a vast territory that has become increasingly peripheral, increasingly

⁵ For a similar but more nuanced discussion of the "urban global", see Magnusson (2005).
excluded from the major economic processes that fuel economic growth in the new global economy (Sassen 1998: xxvi).

This conceptualization of the global economic system has been very influential. Significant writing has recently emerged that understands the global economic space as “an archipelago economy” (e.g., Petrella 2000; Graham and Marvin 2001; Brenner 2004). This metaphor is to be taken literally, as advocates suggest that the global economy is increasingly strung across interconnected urban ‘islands’. These centres have more in common with one another than with the non-metropolitan regions in which they are territorially embedded (Brenner 2004: 180-1).

The most advanced financial resources will be available in these cities, the best universities, research centres and scientific institutions, the greatest cultural resources, the headquarters of multinational organizations and networks of the most dynamic SMEs [small- and medium-sized enterprises]. The ‘core islands’ will tend to establish, maintain and strengthen tighter flows and linkages among themselves than the rest of their ‘national’ and global peripheries. ... The linkage between the core islands of the Archipelago and the rest are growing increasingly weaker (Petrella 2000: 70-1).

To be clear, these assertions are not totally incorrect. Current research surely demonstrates that the role of cities in the global economy is expanding, and that inter-urban connectivity is a major driver in the establishment of global economic systems and structures (cf. Scott 1998; Markusen 1999; Brenner 2003). However, the assumption of consequent rural or ‘peripheral’ exclusion is problematic because it precludes the possibility of a distinct rural globalization. In locating rural territories outside of the globalization movement, it becomes difficult to claim that rural experiences are more than ‘residual’ or derivative of the urban manifestations of this phenomenon.

Therefore, I argue that it is necessary to recast (but not completely reject) ideas about rural exclusion. Rather than presuming that rural regions are inherently or in
totality excluded from the dominant logic of the emerging global economy, I proceed on
the assumption that exclusion and marginalization are selective. This allows two key
refinements to the ‘rural exclusion thesis’. First, it allows for the possibility that while
some aspects of the rural economy find themselves isolated from the so-called global
archipelago economy, other sectors, territories, and actors are deeply embedded in this
system. Second, the notion that exclusion is selective suggests that it is ‘produced’ – in
other words, that it is the product of specific political and economic decisions undertaken
by powerful institutions and actors.

These assertions are fundamental to the argument that I will present in Chapter 3.
Specifically, I will argue in that chapter that present experiences of economic
globalization and spatial restructuring in rural British Columbia cannot be explained
using the exclusion thesis as it is usually considered. Indeed, if anything, the
relationships among rural and global markets, spaces, and actors are being intensified.
Rather, I will argue that the governments of British Columbia and Canada are attempting
to establish plural globalizations in the periphery that are based on the segregation of
resource economies and community-based economies. In other words, senior
governments are seeking to further integrate rural territories into the global economy in
large measure by liberating major resource firms from traditional linkages and
obligations to communities, which are then expected to forge new ‘entrepreneurial’
connections to the global economy. Thus, exclusion and segregation are themselves
being mobilized as tools for the greater integration of rural spaces and places into the
global economy. Rural territories and economies are not ‘outside’ of the movement to
economic globalization. Indeed, as we will see in later chapters, the interplay between
plural structures and visions of globalization in the periphery is having a deep effect on the spatial economies of rural British Columbia.

2.4 Problem II: the (urban) assumptions of network theory

A second problem in the usage of key concepts and logics of globalization theory to understand the restructuring of rural spatial economies relates to network theory. The concept of networks has enjoyed a meteoric rise to status as the primary metaphor and analytical tool for understanding economic globalization (Thompson 2003: 2). Holton (2005: 209) observes that “where theories of globalization once focused on systems and structures, social fields and social movements, global network analysis threatens to replace all this with a concern for myriads of instances of networked connectivity”.

The strength of network theory is that it purports to contain both a theory of structure and a theory of action (Thompson 2003: 54; Tindall and Wellman 2001). As such, it has a lot to say about how global systems and structures are built (through iterative actions – cf. Urry 2003: 46) and experienced in the form of global forces and flows that come to define the role of particular places in the global economy (Dicken et al. 2001: 91). In short, the success of network theory within globalization studies is based in its scope and versatility, allowing researchers to trace particular ‘movements’ across (horizontal) territories and (vertical) scales, not only in terms of economics, but also with respect to political and cultural influences (Thompson 2003: 161).

Here and in following chapters, I argue that this scope and versatility is essential to understanding how the spatial economies of rural British Columbia are being reshaped in a ‘Post-Fordist’ economic environment. Network theory is key to understanding the
emergence and character of plural globalizations in the periphery, where rural spaces and places are shaped (differently) according to their particular relationship to global markets and spaces.

However, I also argue that network theory has an awkward relationship to rural experiences of economic globalization. I posit that the problem of networks in rural studies is two-fold. The first is a problem of form. Network theory has developed multiple key concepts to address and investigate different network structures and arrangements that have become tremendously popular in theory and research on economic globalization. On the one hand are terms and metaphors that have been developed to address the structure of (large-scale) connections and movements. These include the notions of flows, fluids, circuits, and chains (cf. Lash and Urry 1994; Sassen 1991, 1998; Castells 2000; Hudson 2004). The connotations of these metaphors are large-scale, in that they are structured, cumulative, and constant forces within the global economy. As such, I argue that they are not always well applied to rural experiences of network connections and movements. On the other hand are concepts that have arisen to address network forms and structures as they occur in places. These include clusters, districts, learning communities, and associational economies (Storper 1995; Cooke and Morgan 1998; Markusen 2003). As before, I argue that these form-based terms and metaphors are not always easily applied to rural settings and situations.

The second problem is more fundamental and reflects a root bias in network theory and analysis. Specifically, the notion of networks contains rigid conceptualizations of inclusion and exclusion. Networks are collectivities or chains of actors, organizations, localities, knowledges, and/or discourses. Network theory
therefore holds a very specific understanding of inequality that is based on the principle that there is no halfway with networks. Because networks are understood to be either present or absent in a particular place or situation, the divide between 'the included' and 'the excluded' is fundamental. Excluded actors (or regions) simply cannot access the resources that are embedded in networks to which they are not included or otherwise attached. By stressing the firm division between actors (and territories) that are included in particular networks against those that are not, network theory tends to neglect circumstances of marginality, or the potential for partial or incomplete inclusion in network arrangements. I will argue here and in later chapters that network theory ought to be adapted to better address rural realities of marginality.

Global network theory, social network theory, actor network theory

Network theory and analysis is presently one of the fastest-growing and most widely applied areas of the social sciences (Tindall and Wellman 2001: 265). However, it ought not to be considered a unified movement. Network theories are universally concerned with the interplay of action and structure, choice and constraint (cf. Lin 2001: 3; Thompson 2003: 54). Generally speaking, however, network approaches to economic structure and action (the primary concern of this research) can be divided into three branches, namely global network theory, social network theory, and actor-network theory (cf. Thompson 2003: 86; Yeung 2003). The depth, scope, and literatures of these perspectives are vast, meaning that I may only give cursory commentary regarding the strengths and emphases of each. Nevertheless, I will argue that each one of these

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Other forms of inequality are directly considered by network theory, most notably the position of actors within networks and relative to other actors (e.g., Burt 1993). However, inequalities of position are second-level, in the sense that they assume that all relevant actors are actually participants in the network.
branches has particular moments of both relevance and awkwardness in dealing with experiences of rural globalization.

**Table 2.1**

*Three Branches of Network Theory and their Primary Analytical Concerns*

<table>
<thead>
<tr>
<th>Branch of Network Theory</th>
<th>Primarily concerned with ...</th>
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<tr>
<td>Global Network Theory</td>
<td>Movements</td>
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<td>Social Network Theory</td>
<td>Relationships</td>
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<tr>
<td>Actor Network Theory</td>
<td>Actions</td>
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The three branches of network theory and their primary analytical concerns are summarized in *Table 2.1*, and I will discuss the basic principles of each in turn. Generally speaking, *global network theory* examines the extension of the network form and logic to all kinds of economic, political, and cultural relationships (cf. Held et al. 1999: 21). The principal argument of this literature is that heightened connectivity on a global scale is producing new spaces for relations that are only partially governed by existing institutions of the nation-state. These quasi-autonomous spaces are both arenas for freedom and for the construction and enforcement of new structures (cf. Urry 2003: 95, 109). A key example is of course the Internet, which has become a flexible vehicle for agency and creativity but also creates new social and economic structures that can powerfully affect the fates of institutions, groups, and individuals across the planet (see Castells 2001).

Global network theory is generally preoccupied with exchanges and movements as they occur within and across network connections. The major concepts of global network
theory, specifically flows, circuits, and fluids, have proliferated over the past decade to become the dominant conceptual basis for globalization studies in sociology and human geography (Favell 2001: 390). While these concepts originate from discussions of structural changes to economic systems and practices, they have recently been fruitfully applied to related changes in governance and regulation (e.g., Barry 2001; Magnusson 2005), disseminations of knowledge and information (e.g., Mol and Law 1994), and distributions of risk (e.g., Beck 1999). Within all such discussions, the notion of flows has been particularly dominant. Much of the attractiveness of this concept (as with those of circuits and fluids) is metaphorical (Urry 2000: 26). Flow as metaphor directly contrasts the state-dominated and highly structured performance of earlier economic ‘world-systems’ (cf. Hopkins et al. 1982). The flow metaphor connotes a demotion of formal structures in favour of movement between nodes via particular channels (Urry 2000: 35). As such, flows are both patterned and flexible; they are path-dependent and made durable by iteration, while at the same time they are never entirely closed to new participants or forms of participation (Callon 1986b; Urry 2003: 47).

Since its popularization in the works of Harvey (1989a), Castells (1989) and Lash and Urry (1994), the notion of flows has been refined and contrasted by the emergence of companion metaphors. Two such metaphors are circuits and fluids, which nuance the master frame of flows, albeit in opposite directions. The notion of circuits, for instance, postulates that global economic flows are not as free-moving as the metaphor suggests. Rather, exchanges tend to operate through circuits, which are specific arrangements of actors anchored in specific spaces and markets (Hudson 2004: 463). For example, it is

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7 Other metaphors include chains (Dicken et al. 2001), wormholes (Sheppard 2002), particles and waves (Urry 2003: 48).
now well understood that the economies of British Columbia and Japan are increasingly linked by flexible, market-driven flows of commodities and capital (see Reiffenstein et al. 2002). However, these linkages are not 'free floating', but occur across specific circuits of key actors (such as brokers) who operate in specific markets (such as construction and housing). Thus the ‘flow’ economy between British Columbia and Japan is actually grounded in key networks, institutions, and practices, rather than emulating a free-flowing stream as implied by the use of that metaphor (cf. Hudson 2004: 462; Jackson 2002: 15).

While the circuit metaphor adds some structure to the concept of global flows, the notion of fluids moves in the opposing direction. The idea of global fluids was first introduced by Mol and Law (1994) to explain international movements in knowledge and technology. The authors convincingly track the two-way flow of medical knowledge and techniques across vast spaces (continents) and across professional boundaries (doctors, nurses, laypersons) in a manner that denies and even counters circuit-like institutions (laboratories, textbooks, test kits). Urry (2003) has subsequently adapted this notion to address complexity in global movements of capital and people, specifically to capture the cumulative “messy power” of “people acting upon the basis of local information but where these local actions are, through countless iteration, captured, moved, represented, marketed and generalized within multiple global waves, often impacting upon hugely distant places and peoples” (2003: 60). The fluid metaphor is about ‘leakage’ from structured networks and circuits – it is about the iterative and unintended consequences of global connectivity.
The landscape of social network theory is also very broad. While this discussion emphasizes the dimension of that literature that is concerned with economic action, it is important to recognize the debts owed in this branch to the foundational work in anthropology and community studies on networks of individual affect (e.g., Fischer 1977, 1982; Wellman 1979). This work on network-based communities of affect and obligation continues to have a strong influence on theories of social expression and action (e.g., Wellman 1999; Hampton 2002). However, discussions of social network theory from an economic perspective invariably begin with the work of Mark Granovetter, specifically his two most influential pieces, “The Strength of Weak Ties” (1973) and “Economic Action and Social Structure” (1985). This is perhaps because these articles respectively reflect the two directions that social network theory has taken with respect to economic issues. The first direction involves attention to the individual and their available resources. This is very much the emphasis of Granovetter’s “The Strength of Weak Ties”, which suggests that individuals with many ‘weak’ ties (i.e., acquaintances) are in a more favourable position to draw information and advantage from this heterogeneous network than are individuals with more tightly knit but homogeneous associations (strong ties).

In contrast, Granovetter’s second article recasts the question of social networks away from individual situations to those of the broader community or social milieux. Granovetter’s key argument is that all economic actions are in some way embedded in larger social contexts and relationships (1985: 481). Drawing on Polanyi’s (1944) work on the relationship between economy and society, Granovetter argues that while economic interactions or exchanges may appear to be momentary, their social contexts
are long term and enduring (1985: 490). This means that diffused and particular factors such as trust are key to reducing risk and malfeasance in economies, and thus to the possibility for economic growth and development (Granovetter 1985: 491).

Both the ‘individualist’ and ‘social’ variants on social network theory have flourished over recent years. The individualist variant has been most prominently developed by Burt (1992; 1993) and Lin (2001). Burt’s work concerns the strategic positioning of actors within and across networks of varying weak and strong ties. Burt argues that all networks of more than a few people or firms contain gaps or areas of missing connections. For instance, in a social network, Person A and Person B can be understood as participants in a single social network, but have little contact with one another (being friends of friends of friends). In this regard, there is a “structural hole” in the network between Person A and Person B. According to Burt’s logic, however, any actor capable of filling that structural hole (say, Person C) gains significant power within the overall network. Being the sole bridge between these nodes, Person C gains advantages by mediating or controlling exchanges between A and B, and by accessing information from both party’s wider networks (Burt 1993: 70).

Lin’s (2001) understanding of social networks is less schematic, but still individualist in tenor. For him, social network theory is “a theory that suggests that actors (whether individual or corporate) are motivated by instrumental or expressive needs to engage other actors in order to access these other actors’ resources for the purpose of gaining better outcomes” (Lin 2001: xi). Therefore, networks are means of accessing (social) capital, and network activities are means of “investing in social relations with expected returns in the marketplace” (2001: 19).
The more ‘social’ variant of social network theory addresses the resources and constraints that inhere in specific localities or groups. In these analyses, group traits such as norms, values, traditions and practices create a local ‘pool’ of formal and informal resources that are accessible to members. This is the core of ‘communitarian’ conceptualizations of social capital such as that advanced by Putnam (1993: 167), whereby “social capital ... refers to the features of social organization, such as trust, norms and networks, that can improve the efficiency of society by facilitating coordinated actions”. Similar assumptions underpin the recent emergence of “neo-institutionalist” understandings of local development. The neo-institutionalist perspective is a further ‘socialization’ of classical institutional economics, which argued “that the economy is shaped by enduring collective forces, which make it an instituted process, and therefore more than a mere mechanical system or set of individual preferences” (Amin 1999: 367; see also Hodgson 1988). Neo-institutionalists argue that these collective forces are not just about rules, habits and norms, but also “network properties such as mutuality, trust and cooperation” (Amin 1999: 367). These create powerful methods of economic governance and intervention that are somewhat independent of state and market, capable of dragging up (or down) the economic fortunes of specific regions, turning marginal firms and ventures into profitable ones (cf. Cooke and Morgan 1998: 60).

The third branch of network theory is actor network theory, which is the least developed of the three. Actor network theory first emerged in the writings of Callon (1986a; 1986b), Latour (1987; 1988), and Law (1991) as an effort to understand how

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8 While classical institutional economics draws directly from Polanyi’s (1944) work on the ‘disembedding’ of economy from society, neo-institutionalism draws directly on Granovetter’s (1985) assertion that economic actions continue to be socially embedded (Amin 1999: 367).
Authoritative knowledge is produced, disseminated, and broadly adopted across different groups and spaces. These authors argued that the durability of certain knowledge claims depended upon their capacity to merge and blend with actions and/or practices (ways of doing things). Thus an 'actor network' literally has the characteristics of both an actor and a network (cf. Callon 1991: 136). The term is "deliberately oxymoronic, referring to a centred actor, on the one hand, and a decentred network, on the other. Actor networks are both networks and points, they are individuals and collectives" (Murdoch 1998: 361).

Powerful actor networks are those that enrol human and non-human elements into dominant ways of knowing and doing. This is achieved through processes of 'enrolment' and 'translation'. A classic example of enrolment is given by Tatnall and Gilding (1999), who discuss the failure of the Dvorak keyboard to replace the highly inefficient QWERTY keyboards that were intentionally designed to slow typists down to prevent jamming on early typewriters (cf. David 1985). By objective standards, the arrangement of keys on the Dvorak keyboard would greatly speed up typing, thus simultaneously enhancing productivity and minimizing risks to typists (such as repetitive stress injuries). But despite the fact that the original situation that gave rise to the QWERTY design has long expired, that arrangement continues because "there are just too many things attached to it" (Tatnall and Gilding 1999: 961). The design continues to be successful because of the regimes of skills, habits, and complementary technologies that have been enrolled in its network.

While enrolment refers to the incorporation of human and non-human entities and tendencies into an actor network, processes of translation can be understood as the efforts to align these in ways that allow actors to exercise power and domination through these
networks. As such, translation involves the establishment of specific links between actors within an actor network. "Translation is a process in which sets of relationships between projects, interests, goals, and naturally occurring entities - objects which might otherwise be quite separate from one another - are proposed and brought into being" (Callon and Law 1989: 58-9). Borrowing insights from social constructionism, actor network theorists posit that the links between knowledges, objects, and actions are not 'natural', although they may seem that way to those enrolled in the network. But actor network adherents also reject the implicit assumption in constructionism that social constructs are 'free floating' packages of accepted ideas (cf. Hacking 1999: 24; Law 1991: 16). Instead, these are actively constructed by powerful actors seeking to extend influence across space and time.

A key example of translation is given by Law and Hetherington (1999), who write about the social and technological systems that are involved in coordinating the dispersed production that characterizes 'global' enterprises. Law and Hetherington argue that the coordination of the global firm can be (and usually is) attributed to the labour of a few key managers. Their point, however, is that these managers' capacity to extend authority across space is contingent on the intricate arrangement of human and non-human actors and systems into a (relatively) predictable arrangement for the exercise of power in all its forms (knowledge, supervision, domination, hierarchy). In other words, it is contingent on the ability of managers to locate themselves "at the right place in a network of materially heterogeneous elements" (Law and Hetherington 1999: 4).

Among these [heterogeneous elements], we might number: their computers, their software, the figures that are typed into spreadsheets, the process of collating those figures carried out by people in the finance department, the work of filling
in the time sheets that is done (or supposedly done) by all employees on a monthly basis, and so on.

The construction of this actor network, where relationships and exchanges are mediated and structured by socio-technical systems, is key to the extension of authority and surveillance across time and space.

In summary, the three branches of network theory differ significantly in their conceptualization of networks and their role in economic action. Global network theory generally emphasizes the structures of exchange and movement both horizontally (across territories and cities) and vertically (between local and global scales). These connections channel the flows and movements of the global economy, meaning that positioning relative to these determines the opportunities and capacities of actors and places (cf. Castells 2000: 408-9; Graham and Marvin 2001: 100). Social network theory emphasizes the structure and substance of relationships. In this tradition, economic advantage resides in the interconnections between actors and the collective or ‘institutionalist’ goods they provide. Actor network theory is chiefly concerned with the circumstances that anchor and surround action. Economic advantage stems primarily from actors’ capacities to create or take advantage of particular network structures and chains to exert influence ‘at a distance’.

*Rural difficulties with network theory*

All three branches of network theory have been tremendously fruitful for understanding how economies are being restructured by globalization. As previously mentioned, global network theory has anchored an explosion of research into the acceleration of exchanges and movements across key hubs and conduits in the world
This research has strongly nuanced early assumptions about time-space compression (Harvey 1989a) and distanciation (Giddens 1990) to illustrate and investigate the uneven geographies and "socialities" of global systems of wealth-generation (e.g., Urry 2003). Social network theory has been integral to the rejection of the homogenization thesis in globalization theory, and is central to the reassertion that "place matters" in the global economy. It has established that "economic activity [under globalization] is increasingly based on notions of collective learning, and that global competition increasingly involves partnership and interactive innovation [at the local level]" (Cooke and Morgan 1998: 5). In other words, place serves as an incubator and/or facilitator of an "associational economy" that is based on local systems of learning, voluntarism, institutional support (leadership and good governance), and social capital (cf. Amin 1999). Finally, actor network theory has turned attention to the manner in which networks channel specific practices and powers across space and time. Actor network theory's "concern with the 'technologies of being' (namely the technologies that humans use to engage in action) ... [sheds light on] the everyday practices that shape the conduct of human beings towards others" (Dicken et al. 2001: 101). Actor networks are not inherently local or global, but carry power (in the form of knowledge, technique, and influence) across vast spaces and into the minutiae of everyday life (cf. Latour 1993: 117).

Despite this broad utility, rural researchers have experienced significant difficulties in applying network concepts and theory to rural circumstances and experiences. For instance, Murdoch (2000) advances a strong argument that network
theory constitutes a genuinely new paradigm for understanding rural economies and economic action.

As sets of relations that can straddle diverse spaces, networks hold the promise of a more complex appreciation of rural ‘development’ than has traditionally been evident in state-centred versus market-led or endogenous versus exogenous models. Around the term ‘network’, then, a new paradigm of rural development may be coming into view (Murdoch 2000: 408).

But despite this enthusiasm, Murdoch has difficulty identifying network forms and cases in the rural context. Murdoch’s typology of network theory differs slightly from mine, as he classifies global network and actor network perspectives as aspects of “vertical network theory” (directly linking local and global spaces) and social network approaches as “horizontal network theory” (2000: 408-9). Nevertheless, he finds scant evidence of either form in rural settings.

Murdoch’s discussion of vertical networks revolves around agriculture. He argues that the local-global relationship in rural settings is presently dominated by commodity chain arrangements (Murdoch 2000: 409). While arguing that commodity chains are becoming more complex and dynamic (see also Marsden et al. 2000), Murdoch also acknowledges that these continue to be dominated by hierarchical corporate arrangements. Murdoch has slightly more success in his discussion of actor

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9 This relates to a general critique of network theory and analysis raised by Thompson (2003), who argues that for the concept of networks to have analytical meaning, it must be clearly distinguished from two other and better understood forms of economic structure and action, namely hierarchies and markets. He suggests that much of the current literature conflates these, and that in many cases the concepts of hierarchy and market are better able to explain the structure of economic relationships, exchange, and connectivity than are networks. Plainly stated, hierarchies are driven by “some form of overt rule-driven design and direction ... [based on] explicit deliberative action with an objective or outcome in sight” (2003: 22), while markets are “competitive processes between dispersed economic agents ... [that] secure economic order and the coordination of economic activities without any conscious organizing centre that directs it” (2003: 24). In contrast, networks are a distinct third mode of economic organization that occupy the space “between hierarchies and networks”, where structures and outcomes are the outcome of both purposeful design and spontaneous or unpredictable arrangements (Thompson 2003: 48). In these terms, the corporate-controlled commodity chains in industrial agriculture are clearly instances of hierarchical forms of economic arrangements.
network theory (2000: 411), where he suggests that the emergence of biotechnology and organic food production are complicating traditional rural economies. These are creating new powers of corporate dominance, but also new avenues for producers to create actor networks based on alternative discourses, knowledges, and technologies (for instance, to create and participate in markets for organic production and consumption).

Murdoch's (2000: 413) discussion of “horizontal networks” is even more telling, as he has difficulty identifying cases of rural clustering, districting, or ‘learning regions’, ultimately pointing to the Italian district of Carpi in Emilia-Romagna. This case, elaborated by Cooke and Morgan (1998), involves the emergence of a fashion district from local craft groups. As incomes from agriculture declined, these groups evolved into artisan businesses but retained norms of co-operation and trust that allowed these firms to remain abreast of Italy’s notoriously fickle fashion market (see Cooke and Morgan 1998: 116). While this example is important, it stems chiefly from the 1960s and 1970s in a region that was in the process of suburbanizing. For more contemporary examples, Murdoch again turns to the agro-food sector. Unfortunately, existing “hotspots” of global food production are currently (and even increasingly) dominated by corporate actors. This is certainly the case in the Canadian prairies with respect to grain farming (Boyens 2001), and is increasingly the case even in subsidy-heavy Europe (Whatmore 1994). Indeed, the future of rural clustering and districting is perhaps the fabled and feared “pig cities” and other forms of high-density agriculture that are proliferating in American states such as Illinois and the Carolinas (see Reinert 1998). These represent a very different form of districting than envisioned by Murdoch or by Cooke and Morgan. In these cases, efficiency gains are achieved through agglomeration and proximity (cf.
Karine and Kilkenny (2002), but these are not regions of bottom-up globalism. In fact, this form of corporate-dominated clustering may in fact depress entrepreneurial and innovative capacities (cf. Hayter 2000: 188).

Different network approaches for different ‘rural globalizations’

Despite Murdoch’s difficulties, I argue that network theory and analysis has great promise for understanding current experiences of globalization and spatial restructuring in rural British Columbia. First of all, it is important to put Murdoch’s discussion in context. Foremost, Murdoch’s preoccupation with agriculture as the penultimate rural economy is common among authors writing from a European background (e.g., van der Ploeg et al. 2000; Marsden et al. 2000). In British Columbia, the rural economy is overwhelmingly resource-based, with more concentrated and structured corporate and labour arrangements than are typically found in agriculture. Because this economy is based on large-scale and centrally coordinated flows and movements (of commodities, capital, and labour), the principles of global network theory are directly applicable. Indeed, in Chapter 3 to follow, we will see how senior governments are seeking to intensify the exposure of resource economies and spaces to global flow-based markets; while in Chapter 4, I examine how this strategy is re-patterning local spatial economies in the case communities of Bella Coola and Port Hardy.

However, while the corporate forms of rural globalization are approachable in this way, I argue that conventional network approaches give a poor accounting of ‘ground-up’ or place-based forms of ‘global’ economic action in rural settings. As previously mentioned, I posit that this difficulty is largely attributable to two key
problems in network theory: its over-reliance on questions of network form, and its firm notion of inclusion and exclusion that downplays the condition of marginality. In this section, I suggest a reconsideration of network theory (that will be applied in Chapter 5) in order to understand how local actors seek to participate in extra-regional and global economies.

Current understandings of ‘ground-up’ or place-based globalization have been strongly influenced by concepts such as associational economies, agglomeration, clustering, districts, and learning regions (Markusen 2003). These concepts refer to the forms that social and economic networks take within places, that then confer certain advantages for participants to ‘act globally’.¹⁰ For instance, Amin and Thrift (1995) have famously argued that clustering encourages social and economic relationships across firms that then foster informal exchanges and “untraded interdependencies” – all of which are central to organizational innovation and flexibility. According to this logic, areas that are unable to achieve such network forms are at a distinct disadvantage. For ‘backward’ rural regions, the prognosis is even more grim. The standard assumption is articulated by Amin (1999: 373), who writes that:

> Economic governance in institutionally thin regions is likely to remain in the hands of elite coalitions, the resulting institutional sclerosis a continuing source of economic failure acting as a block on innovation. In an increasingly global economy, ... [this situation] will achieve little in terms of mobilizing a regional development path based on unlocking local potential.

¹⁰ Current writing about ‘ground-up’ transnationalism and cultural globalization is not so narrowly focused on questions of network form. In this literature, dispersed ethnic groups, communities of interest, social movements, and other cultural groups and networks (often loosely defined) are being investigated as ‘global’ actors, shaping the structure of “global connectivity and global imaginations” (Burawoy et al. 2000).
The tendency of this literature to concentrate on network forms first (assuming that these ‘generate’ social processes) has recently come under strong criticism. This critique is most forcefully made by Lovering (1999) and by Markusen (2003). The crux of both Lovering’s and Markussen’s objections is that investigations of clusters, districts, and learning regions as a whole are atrociously guilty of “bad abstraction” (cf. Collier 1997). Markussen in particular argues that the research conducted on the ideal types presented by such exceptional cases as Silicon Valley and Germany’s Badden Wurtemberg region have thoroughly dominated subsequent conceptualizations of all types of local network forms (2003: 701). The dominance of these cases has caused an undue propensity in some studies to “jump directly from ideal-typical theoretical categories to supposedly real-world empirical categories” (Lovering 1999: 385).

[Analyses of agglomeration and clusters] are a loose bundle of ideas, an accretion of notions gathered together because they seem to resonate and point to broadly similar policy implications somewhere on the horizon. [They] are a set of stories about how parts of a regional economy might work, placed next to a set of policy ideas which might just be useful in some cases. ... We are invited to accept the package as a whole, both the explanatory stories and the normative stance (Lovering 1999: 384).

By presenting these as ‘explanatory packages’, the study of clusters, industrial districts, and learning regions often descend into mere hunts for geographical forms, or, worse, the imposition of these categories on regions with only scanty evidence. Furthering the critique, Markussen (2003: 703) trenchently points out that evidence of “learning and agglomeration” can be found in nearly every economy and setting (for an illustration, see Porter 1998: 229). Academic pursuit of the ‘forms’ of clustering and learning may have blinded theorists to the variety of strategies and behaviours exhibited by local actors to develop these as social processes rather than as ideal-typical outcomes.
The second problem with respect to the application of network theory to ‘ground up’ globalization in rural settings involves the firm divide within network theory between inclusion and exclusion. Within global network theory, this is most evident in the assumption that global movements and exchange flow across and in-between key urban points, leaving those outside those networks mired in the “black holes” of global capitalism (Castells 1998: 165; Graham and Marvin 2001: 288). In social network theory, inclusion in social networks allows participants access to information and influence, while exclusion denies access to these resources (cf. Burt 1993: 15). Actor network theory is the least guilty of the inclusion/exclusion dichotomy, in that it understands all persons to be ‘enrolled’ in many actor-networks simultaneously and often unwittingly. Nevertheless, actor network theory still draws a firm line between those that may exercise power through these networks (those that occupy control and ‘translation’ points such as Law and Hetherington’s managers) and those that are subject to actor-networks’ capacities to configure and survey.

The inclusion/exclusion dichotomy in network theory leaves very little conceptual room for addressing questions of marginality, or the possibility that network participation can be partial, incomplete, or contingent. The notion of marginality has been central to rural studies for a very long time. It is embedded in the distinctiveness thesis in classic social theory, which understood rural economy and community to be fundamentally different from predominant and ‘progressive’ urban social forms. It is also key to the later neo-Marxist understandings of dependency, which argued that rural regions were vulnerable to urban dominance due in large part to their existence on the margins of society and economy.
In the remainder of this thesis, I will argue that the economies of rural coastal regions in British Columbia are increasingly network-based. As discussed previously, this economy is being established through the actions of states, corporate actors, communities, and local firms. In Chapters 3 and 4 to follow, I examine current efforts to re-align the corporate resource economy in rural BC to the demands of an increasingly ‘global network’ economy (based on large-scale but flexible and market-driven global commodity flows). As we will see, this has a direct impact on local economic spaces as the role of communities in this economy is recast.

At the same time, however, this restructuring in economic policy and practices is opening up new opportunities and spaces for local economic action, particularly for new forms of local participation in extra-regional and global economic spaces. These are also network-based economies, and offer the possibility for ‘ground-up’ globalization, or the direct connection of local actors to global markets and spaces. In order to address this, I develop a network approach that downplays those questions of network form that pervade the urban-based literature on globalization. Instead, I approach networks and network connectivity as phenomena that are “performed”. This involves placing analytical primacy on the strategies, actions, and processes that are involved in establishing, maintaining, and practicing connections and movements across rural spaces and distances. In other words, it involves understanding how the limitations of isolation and restricted infrastructural resources are (partially and unequally) countered by local strategies and practices. It involves paying minute attention to the manner in which actors struggle to align social, technological, and strategic resources that are involved in ‘reaching across’ territories and scales. This approach, I argue, gives a much better
accounting of network connectivity and movement from positions of marginality than does attention to network form.

This approach to networks draws selectively from each of the three major branches of network theory, and is thoroughly considered in Chapter 5. Moreover, it should be noted that conceptualization of networks in this manner is not without precedent. Thompson (2003: 7) discusses an emerging movement in network theory to address “the conduct of networks”. The emphasis in this literature is on “the ‘work’ of networks”, or the various ways that different kinds of actors labour to access or construct different kinds of networks (Thompson 2003: 7). Attention to the ‘conduct’ and ‘work’ of networks opens the door for a less totalizing conceptualization of the relationship between actors and networks. Instead of considering actors as outside or inside network structures, this approach allows for contingency, contradiction, choice, and strategy in this relationship. It allows for imperfection, variance, ambiguity and accident in the performance of network connections and movements – all of which I will argue are key to understanding ‘glocal’ network economies on the margins.

2.5 Summary and Conclusions

This chapter has examined past and current approaches to understanding rural political economy and spatial economies – or how these economies relate to, are shaped by, and ‘fit in’ with more dominant ‘outside’ forces and economic systems. As we have seen, these questions have a long history in sociological and geographic thinking. Generally speaking, the manner in which they have been addressed has reflected larger intellectual movements. Chronologically, these have included questions of
modernization (rural distinctiveness), of domination and exploitation (rural-urban), and of local-global relationships (rural-global).

Most recently, rural studies have been strongly influenced by the literatures on 'glocalization' and network theory. These have given new analytical tools to rural researchers. In turn, there has of late been a significant invigoration of rural sociology and geography, as more and more research is done into local-global intersections in rural territories (cf. Cloke 1997), as well as new forms of rural economic organization (e.g., Murdoch 2000; Marsden et al. 2000). Indeed, the concepts and logics of these theories are key to the analysis of the transformation of rural spatial economies to be presented in later chapters of this thesis. However, I have also argued that the major concepts and logics of globalization and network theory have been constructed out of urban-centred thinking and research, which reduces their capacity to address or explain rural circumstances and experiences with these phenomena (cf. Hayter et al. 2003). Two particular adaptations are key to the analyses presented in the remainder of this work.

First, I argued that the 'rural exclusion thesis' that underlies much of the thinking regarding economic globalization ought to be reconsidered. This assumption is rooted in the claim (which is backed by significant research) that inter-urban connectivity is a major driver of economic globalization, specifically the creation of new economic relations and structures at a global scale. However, this claim has led many authors to presume that regions that are less connected or central to this system are excluded from it (hence the 'archipelago' metaphor). In arguing that this assumption ought to be recast, I suggested that rather than presuming that rural regions are inherently or in totality excluded from the dominant logic of the global economy, it is best to proceed on the
assumption that inclusion and exclusion are selective. This allows for the possibility that some sectors of the rural economy are deeply integrated into the dominant economic system (the corporate resource economy), while other sectors are more marginalized (community-based economies). It also suggests that inclusion and exclusion are 'produced' — that they are the product of particular political and economic decisions made by powerful actors. These particular questions will be addressed in Chapter 3 to follow.

Second, it was argued that network theories of economic structure and action need to be nuanced in order to analyze the transformation of spatial economies in rural British Columbia. On the one hand, network theory (and specifically 'global network theory') is readily applicable to current changes in the governance and structure of corporate resource production in the province. As we will see in Chapters 3 and 4, efforts to further align this economy with the ebbs and flows of global commodities markets are having a strong impact on local economic spaces. On the other hand, I argued that network theory's preoccupation with questions of network form limits its applicability to questions of place-based or 'ground up' globalization in rural regions. As we saw, attempts to identify network forms (particularly clusters, agglomerations, districts, etc.) in rural settings is problematic. As an alternative, I argue that analytical emphasis ought to be placed on network practices and processes. Specifically, I suggest an approach that conceptualizes networks and network connectivity as phenomena that are "performed". This involves placing analytical primacy on the strategies, actions, and processes that are involved in establishing, maintaining, and practicing connections and movements across rural spaces and distances. This approach, I argue, gives a much better accounting of
how local actors seek to act globally from positions of social and geographic marginality. This will anchor my analysis of the actions of local firms in the case communities of Bella Coola and Port Hardy that is presented in Chapter 5.
While the current academic literature on economic globalization is largely silent on rural issues, governments have long had a strong interest in framing how rural values and territories relate to international markets. Generally speaking, the political economy of rural regions in advanced capitalist societies have been 'global' since the establishment of large-scale international trade in agriculture and commodities in the 18th and 19th centuries. This global reality is particularly true in the case of rural British Columbia, whose economy has, since the first establishment of permanent European settlement, variously relied on the export of commodities from fishing, forestry and mining into Europe, the Pacific Rim, and the United States (Gillis and Roach 1989: 75-7).

Throughout the history of this province, the rural-global relationship has been strongly influenced by senior governments. In the early 20th century, the governments of British Columbia and Canada were very active in establishing export markets and trade
arrangements for BC resources (Hayter 2000: 41-3). Following the Second World War, the provincial government was instrumental in establishing a ‘Fordist globalization’ in British Columbia’s resource sectors, particularly by reforming access rights and capital investment regulations to encourage rural development based on foreign direct investment by major corporate actors (cf. Marchak 1983: 49, 82).

In this chapter, I argue that ‘rural globalization’ in British Columbia is presently entering a new era, and that the contours of this new era are again being primarily shaped by senior governments. In this case, however, I will argue that the governments of British Columbia and Canada are seeking to resolve a longstanding crisis in BC’s resource economy (brought on by ‘Fordist globalization’) by establishing plural globalizations in the periphery, or multiple ways of relating rural wealth and ‘values’ to global actors, markets, and spaces. The implementation of this development strategy is deeply restructuring rural spatial economies in the province.

The recent crisis in British Columbia’s resource economy has been severe. On the one hand, British Columbia’s traditionally high-volume resource sectors have been challenged by the emergence in the 1990s of a truly global marketplace for commodities. As competing commodity producing regions such as China, Russia, and South America have become increasingly integrated into the global market, BC producers are caught in a difficult cost-price dilemma (Burda and Gale 1998). On the other hand, environmental degradation has pushed British Columbia’s resource economy into a crisis of diminishing returns, where more energy must be invested in the harvest and processing of increasingly lower-grade commodities (Marchak et al. 1999: 27). These dilemmas are
exposing and contributing to real problems of productivity and efficiency in the economic foundations of the province’s rural economy.

In the discussion to follow, I address how the governments of British Columbia and Canada are responding to this crisis by reforming the governance of rural spaces and places. Simply put, senior governments are initiating policy and regulatory reforms that are intended to bring the rural economy of British Columbia into line with the demands of a complex ‘global network economy’, or an economy that is based on increasingly complicated and flexible flows and movements across international markets and spaces (cf. Castells 2000: 77). As we will see, government efforts to make rural BC more attuned to the demands and logic of the global network economy means very different things for corporate-resource economies than for community-based economies. Following the arguments of regulation theorists such as Jessop (1990; 2002), MacLeod (2001), and Brenner (2003; 2004), I argue that the present spatial reforms in British Columbia involve a rejection of longstanding Fordist/Keynesian aims of universal development across and within territories. These are being replaced by strategies that seek to establish ‘multiple globalizations’ in the periphery by strongly differentiating among the productive utility of different territories and localities.

Thus, I posit that the rural economy in British Colombia is presently being significantly restructured by the institutionalization of separate policy and regulatory regimes for rural spaces (the corporate-resource economy) versus those for rural places (community-based economies). These actions are dramatically changing how global economies are being practiced and performed in rural British Columbia. In other words, I argue that rural development policy in BC has recently come to be dominated by two
'spatial strategies' that are based on different visions of rural globalization. On the one hand is a *space-intensive* strategy that is aimed at liberating major resource firms from environmental and economic obligations to locality and community. On the other hand is a "localist", *place-intensive* strategy that has been mobilized to promote 'ground-up' community-level economic development. Both strategies are intended to maximize the values that can be extracted from spatial arrangements and endowments in a global marketplace. However, these strategies conceptualize rural communities and industry as occupying fundamentally different economies and economic spaces. As we will see in this and later chapters, these movements have a profound effect on community economies, creating new fields of opportunity and constraint for local actors.

3.1 Governing Globalization: 'spatial strategies' for development

The establishment of plural globalizations in rural British Columbia (one for the corporate-resource economy and another for community-based actors) is an intentional strategy of the governments of British Columbia and Canada. This section presents the theoretical basis for understanding the motivations and means behind this strategy. I argue that the primary means by which governments 'govern' globalization is through what Brenner (2004: 97) terms “spatial strategies”, which refer to “the geographies of state intervention into socio-economic life within [and across] territories”. That is, the analysis that follows asserts that the strategic manipulation of ‘domestic’ territories through policy and regulatory frameworks has a profound impact on how particular spaces and places within the nation or province relate to global actors, flows, and markets.
Governments are key actors in economic globalization. While it has long been acknowledged that states play an important role in contemporary globalization through negotiation of international trade and investment agreements (e.g., Levitt 1983), the early literature on globalization also assumed that these actions lessened the power of governments over local and national social and economic conditions (e.g., Ohmae 1990; Teeple 1995). More recently, however, political theorists have begun to address how state power is being changed and rearticulated rather than negated by economic globalization (e.g., Jessop 2002; Brenner 2004). For instance, significant attention is now being paid to how governments foster the competitiveness of domestic sectors and regions in the global arena. The writings of Philip Cerny (1995; 1997) have been particularly influential on this topic. Cerny argues that governments around the world are increasingly engaged in the restructuring of local and national institutions to reflect the demands of global capital. These resulting “competition states” are characterized by a combination of de-regulation, liberalization, and direct subsidy to key industries. Such states literally “compete to offer the greatest incentives and concessions to attract mobile investment” (O’Riain 2004: 18). In Cerny’s view,

Rather than take certain economic activities out of the market, to ‘decommodify’ them as the welfare state was organized to do, the competition state has pursued increased marketization in order to make economic activities located within the national territory ... more competitive in international and transnational terms (Cerny 1997: 259).

However, state activism in globalization is not limited to deregulation and liberalization (although, as we will see, these play a significant role in the British Columbian government’s current strategy for achieving multiple globalizations in the periphery). In parallel with Cerny’s work, policy theorists have begun investigating the
influence of "global developmental states" on local and international patterns of
globalization. This literature examines ways in which states directly influence or
intervene in the relationship between national and global economies (see Leftwich 1995;
Woo-Cummings 1999). Much of this research has involved the so-called Asian Tiger
economies. For instance, Wade (1990: 307) argues that the rapid emergence of South
Korea as a world leader in electronics was achieved through sometimes draconian state
initiatives in banking, finances, and trade. Using its control over these institutions, the
state selectively but aggressively supported sectors and firms that it deemed important to
establishing the nation as a major exporter in consumer technologies. "For an extended
period during the 1970s and 1980s, the South Korean government led rather than
followed the entry of Korean firms into semiconductors, telecommunications and
computers" (Wade 1990: 319). This often involved direct intervention by the state into
the decisions and strategies of individual firms (O’Riain 2004: 195).

The 'glocalization' of governance

The parallel ideas about competition states and global development states have
recently resonated with regulationist thinkers interested in the broader project of
theorizing the ascendency of "post-national capitalism". Contemporary regulationist
thought (in the English-speaking academic world) draws on the neo-Marxist writings of
Poulantzas and Gramsci to address how states exercise regulatory and interventionist
powers into economic and social systems in order to sustain and modify capitalist
arrangements (Carnoy and Castells 2001; Jessop 2002: 5). From the regulationist
perspective, the trend to economic globalization presents a tremendous challenge to
governments that must sustain some measure of institutional stability in order to maintain a degree of authority over capitalist systems and mitigate its more self-destructive contradictions (Jessop 2002: 95). Therefore, according to Swyngedouw (1997), governments around the world are adopting various strategies in attempts to “re-scale” their capacities and authorities. “Over the last decade or so the relative dominance of the nation state as a scale level [of political and economic organization] has changed to give way to new configurations in which both the local/regional scale and the transnational/global have risen to prominence” (Swyngedouw 1992: 40). Swyngedouw argues that states are responding to this trend by moving away from economic policies and institutions aimed specifically at the national level or national economy, and towards those aimed at harnessing and harmonizing global movements and particular local advantages (1997: 158).

The notion that governments are in the process of re-scaling their institutional and regulatory capacities has profound consequences for how we understand state involvement in the economic development of national and local spaces. Indeed, Brenner (2003), argues that governments’ new concern with ‘glocal’ intersections is concurrent with the abandonment of the formerly powerful idea of a ‘national’ economic and institutional space (see also Cameron and Palan 1999; Jones 1999; MacLeod 2001). The argument is that the new government concern with the local-global dynamic means that traditional development goals of geographic equity within national economic geographies are giving way to development strategies that are based on the fragmentation of ‘national’ economies and economic spaces according to specific local-global linkages (Brenner 2003: 211). In other words, governments’ attempts to re-scale their influence into local
and global spaces hinges on the abandonment of traditional development goals of spatial equity within a nationally organized economy (I return to this below).

The changing ‘spatio-temporal fix’ for global capitalism

Jessop (2002; 2004) offers the most complete series of arguments regarding the changing spatial relationship of state and capital. Borrowing a term first advanced by Harvey (1982), Jessop argues that different eras of capitalist accumulation are characterized by different “spatio-temporal fixes”, or “specific spatial and temporal boundaries within which a relatively durable pattern of ‘structured coherence’ can be secured” within a market economy (2004: 6). Put more simply, a spatio-temporal fix involves the establishment of a primary time-space horizon for economic action. Jessop’s approach is strongly regulationist (see Jessop 1997), meaning that he understands these horizons as established and enforced by multiple state institutions, practices, and influences, including corporate policy, national and regional development policies, and mechanisms of social regulation (such as labour and wage relations – cf. Jessop 2002: 5).

Thus, for Jessop, the spatio-temporal fix for “postwar Atlantic Fordism” was achieved primarily via the institutionalization of interventions at the national scale. Specifically, Fordist forms of accumulation (the hierarchical organization, the structured wage relation, and economies of scale), were secured among North Atlantic nations largely through state interventions aimed at “integrating the circuits of the capital and consumer goods industries as well as managing the conflicts between capital and labour over both the individual and social wage, so that the virtuous circle of Fordist growth
could be maintained" (2002: 57). Thus the geographies of capital and state in these nations established systems of mutual overlap and benefit derived from "a spatio-territorial matrix based on the congruence between national economy, national state, national citizenship embracing social as well as civic and political rights, and national society" (2002: 75). The resolution of Fordist and state spatialities is illustrated in Table 3.1 (adapted from Jessop 2002: 59).

**Table 3.1**

*Jessop's "Keynesian Welfare National State"*

<table>
<thead>
<tr>
<th>Distinctive set of economic policies</th>
<th>Distinctive set of social policies</th>
<th>Primary space or scale</th>
<th>Primary means to compensate for market failure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full employment, demand management, provision of infrastructure to support mass production and consumption</td>
<td>Collective bargaining, generalization of mass consumption, expansion of welfare rights</td>
<td>Relative primacy of national scale in economic and social policy-making, with local as well as central delivery of services</td>
<td>Market and state form a 'mixed' economy; the state is expected to compensate for market failures</td>
</tr>
</tbody>
</table>

The crisis of the Fordist/Keynesian system beginning in the mid to late 1970s has been well-theorized (e.g., Lipeitz 1987; Lash and Urry 1987), particularly as a result of the general unsustainability of mass production and consumption within bounded national economies. In Jessop's schema, the crisis in Fordist accumulation has precipitated a simultaneous crisis in the dominant spatio-temporal fix (which was based on the concurrence of national state and economy). Early state responses to the crisis varied from efforts at incremental change to experimentations in state retrenchment and extensive deregulation (cf. Peck and Tickell 1995). Recently, however, governments of
every political orientation in North America and Western Europe have moved to institutionalize neoliberal approaches to economic governance and regulation (Brenner and Theodore 2002: 343). In Jessop’s terms, this now involves the emergence of a Post-Fordist spatio-temporal fix for capital and state. This is outlined in Table 3.2 (adapted from Jessop 2002: 252).

The principal political response to the challenges and opportunities posed by the ongoing decomposition of Atlantic Fordism ... can be summarized as the attempt by state managers, officials, economic and other forces to transform the Keynesian full employment state into a Schumpeterian competition state, to rescale and rearticulate its activities, and to develop new forms of government and governance to address the emerging problems of state as well as [the potential for] market failure (Jessop 2002: 123).

*Table 3.2*
*Jessop’s “Schumpeterian Workfare Postnational Regime”*

<table>
<thead>
<tr>
<th>Distinctive set of economic policies</th>
<th>Distinctive set of social policies</th>
<th>Primary space or scale</th>
<th>Primary means to compensate for market failure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focuses on innovation and competitiveness in open economies</td>
<td>Subordinates social policy to an expanded notion of economic policy; downward pressure on the ‘social wage’</td>
<td>Multiplication and relativization of scales above and below the national scale; however, national states continue to have a strong regulatory role</td>
<td>Increased role of self-organizing governance to correct both for market and state failures</td>
</tr>
</tbody>
</table>

*Schumpeterian*  |  *Workfare*  |  *Postnational*  |  *Regime*  |

This emerging “Schumpeterian” or neoliberal state is institutionally very different from the Keynesian welfare state. Its methods of intervention into local and global capitalism are market-based rather than prescriptive or universal (emphasizing means-testing, results-based regulation, and industrial self-enforcement – Jessop 2000: 252).
These methods are explicitly intended to be flexible – to regulate only at the point where global forces descend into local spaces and circumstances (Jessop 2000: 340).

State spatial strategies

Jessop’s writing regarding the spatio-temporal fixing of accumulation strategies has been adapted by Brenner (2003; 2004) in a more specific discussion of “state spatial strategies” for intervention in local, national, and international economies. Like Jessop, Brenner is preoccupied with understanding “globalization ... as an emergent and deeply contradictory state strategy that hinges upon the spatial reorganization of state regulatory arrangements at multiple scales” (Brenner 2003: 198). However, his argument is based on the notion (following Jones 1997) that all states and policies are inherently “spatially selective”. This means that the geography of state interventions are patterned according to “a scalar dimension in which state institutions and policies are differentiated hierarchically among a variety of scales, [as well as] a territorial dimension in which [these] are differentiated areally among different types of jurisdictional units or socio-economic zones” (Brenner 2004: 95).

From this starting point, Brenner outlines (in similar fashion to Jessop) an historical transition in “state spatial strategies” from strategies of “spatial Keynesianism” to those of “glocalization”. The dominant strategy of postwar spatial Keynesianism was “to maximize national output and income by promoting a balanced spatial distribution of socio-economic capacities and infrastructural investments across the entire national territory” (2004: 134). In agreement with Jessop, Brenner argues that the spatial strategy of territorial balance was driven by dominant thinking about the needs of a Fordist-
national production-consumption economy, where “significant large-scale territorial disparities were viewed as a major threat to stabilized patterns of macroeconomic growth” (2004: 130). Thus, generally speaking, North Atlantic states in that era privileged both national scales and territories as objects of organization and intervention.

In contrast, state strategies for ‘glocalization’ are based on the privileging of major urban and regional economies.

[Against] the project of equalizing the distribution of industry, population and infrastructure across national territories, glocalizing states strive to differentiate national political-economic space through a reconcentration of economic capacities into strategic urban and regional growth centres (Brenner 2003: 206).

This latter generation of spatial strategies seeks to secure national prosperity by fostering direct connections between particular localities and global flows (hence the term ‘glocalizing strategies’). This strategy can be readily seen in the presently ubiquitous efforts of governments at all levels to promote regional development based on principles of clustering, districts, learning regions, and global cities (cf. Storper 1995; Florida 1995; Holbrook and Wolfe 2003). Such strategies are based on the differentiation of spaces and territories within the nation, where “national economic space is fragmented into distinct urban and regional economies with their own place-specific locational assets, competitive advantages and developmental trajectories” (Brenner 2003: 207).

The institutionalization of state strategies for glocalization is rooted in an extreme manifestation of state spatial selectivity. More than this, it is premised upon uneven geographies of state policy and intervention. The politics of this transition have been famously articulated by Harvey (1989b), who argues that urban governance has generally shifted with ‘de-industrialization’ from a managerial to an entrepreneurial style or form, whereby local governments and actors are increasingly made responsible for attracting
private and public investments. The guiding vision for this strategy is that inter-urban and inter-regional competition for public and private investment encourages the advancement of projects that are of specific local competitive advantage, as opposed to the paternalism and inefficiency of universal programs and/or infrastructures (cf. Graham and Marvin 2001: 309). State promotion of 'entrepreneurial localism' is part of a general shift in governance from welfare-based to a market-driven approach to spatial intervention (cf. Cerny 1997). Importantly, however, this approach has fundamental consequences for geographies of development.

In contrast to the Fordist-Keynesian project of alleviating spatial inequalities within the national territory through state action, the state spatial strategies associated with glocalizing state institutions have actively intensified intra-national socio-spatial polarization by actively promoting the reconcentration of economic assets, industrial capacities and infrastructural investments within the most powerful agglomerations. In this sense, glocalizing state spatial strategies are premised upon the assumption that intra-national uneven development may be continually instrumentalized as the basis for economic development rather than operating as a barrier to the latter (Brenner 2003: 211).

Rural spatial strategies

To sum, the literature emerging from the regulationist school demonstrates that state powers of intervention and regulation are changing rather than simply diminishing with the intensification of local-global relationships. This body of research and writing suggests that the transition from national-Fordist-Keynesian economies to economies that are organized around 'glocal' relations is bound up with (both causing and resulting from) the deep restructuring of state institutions and methods of governance. Moreover, the concepts of spatial strategies, spatial selectivity, and spatio-temporal fixes gives a strong theoretical foundation for understanding the transformation of domestic economic
spaces as these are ‘aligned’ with the particular demands of global markets, networks, and flows.

Again, however, it is important to acknowledge that the literature in which these concepts have been developed has been overwhelmingly preoccupied with the urban form. As such, they conceptualize contemporary spatial selectivity as entrenching an economic system in which privileged urban spaces interact globally in an “archipelago” economy that skips over underdeveloped ‘spaces in between’ (e.g., Graham and Marvin 2001: 305). In Brenner’s words (2004: 180), “new corporate accumulation strategies of the last three decades have intensified established spatial divisions between advanced, highly developed urban and regional cores and lagging, peripheral zones”.

This returns us to the familiar problem discussed in Chapter 2, where key concepts of economic globalization are mired in assumptions about rural exclusion. Against this, I argue that the rural experience of state spatial selectivity under Post-Fordist and neoliberal arrangements is dual. While the current urban literature posits that selectivity is engaged in order to liberate the productive capacities that inhere in privileged places, it is important to remember that in rural settings wealth is primarily embedded in landscapes and territories – those very spaces ‘in between’ points of privilege in the so-called archipelago economy (cf. Hayter et al. 2003: 17). Therefore, in employing the concepts of spatio-temporal fixity and spatial strategies to explain the emergence of plural globalizations in rural British Columbia, I also argue that their attendant assumptions regarding the values of space versus locality are in large measure reversed in the rural setting. In other words, localism is a secondary pursuit (in terms of wealth-generating capacity) to those strategies aimed at liberalizing the value of spaces.
In the British Columbian case, there is strong evidence that current state spatial strategies are indeed “instrumentalizing uneven development as a basis for economic development” (Brenner 2003: 211), but that this is not based primarily on the privileging of locality, but rather its final segregation from the vast wealth of rural spaces.

3.2 Canada’s (Regional-National) Fordist-Keynesian Spatio-Temporal Fix

In the remainder of this chapter, I discuss the transformation in state spatial strategies in British Columbia from the Fordist-Keynesian period to present attempts to entrench plural globalizations in the periphery. As we will see, the Fordist-Keynesian strategy for developing BC’s rural economy was based on a spatial vision of geographically dispersed production. Governments sought to achieve this by establishing a particular set of relationships among resource corporations, labour, and settlements. In contrast, the new strategy for rural development in British Columbia involves the dismantling of the institutions that linked rural industry and community. I will argue that the new regulatory and institutional environment seeks to ‘liberate’ rural industry and community to align themselves independently with the demands of broader, global markets. As will be discussed here and in later chapters, this is dramatically altering how local economies are structured and performed in rural British Columbia.

The current effort to establish plural globalizations in rural BC – one based on resource wealth and another based on community – contradicts the longstanding postwar political project in Canada to achieve (relative) economic uniformity within and across the nation’s vast territories. The Canadian case of spatial selectivity in economic governance and development is unique among North Atlantic nations. Canada is a nation of vast geographic territories, a history of export dependency, dispersed yet regionally
concentrated populations, and a tradition of political federalism. As such, senior governments have historically struggled with geographic disparities in state services and economic development. However, several factors in particular have historically worked against the establishment of a coherent and stable spatio-temporal fix for capitalist infrastructures and activities at the national level in Canada. First is its constitution as a federation with a complex division of powers between federal and provincial governments. The most significant of these divisions to the present discussion is provincial jurisdiction over land and resource use, which has long conflicted with federal authority over international trade and investment policy (cf. Wallace 2002: 31-2). Second, and obviously related to this, is the Canadian economy’s historical and overwhelming reliance on resource-based export (cf. Innis 1956; Baxter et al. 2005), which has encouraged the development of regional-global as opposed to intra-national economic relationships.

In this section, I briefly outline Canadian efforts to establish a unique type of Fordist-Keynesian space (a spatio-temporal ‘fix’) that is simultaneously national and regional. The quest for this fix dominated Canadian fiscal and economic policy from the postwar period to the deep nationwide recession of the early 1980s, which by most accounts marks the boiling point for the Fordist crisis in Canada (cf. Rutherford 1996; Hayter 2000: 255). I argue that Canadian attempts to establish a national Fordist-Keynesian space over this time were characterized by the tension between attempts to address regional disparities, and simultaneous strategies to develop regional economies based on natural and inherited endowments. As we will see, this tension is key to understanding the history of rural development in British Columbia.
Canada’s unique geographic, political, and economic features “has made Canada one of the most highly regionalized countries in the developed world” (Wallace 2002: 21). Canada’s economic regions are generally understood as comprising an eastern region characterized by sunset resource industries (fisheries, limited forestry), a south-central region of manufacturing and finance, a western region of agriculture and capital-intensive resource production (forestry, oil), and a residual northern category characterized by spotty resource development (cf. Brodie 1990; Wallace 2002). Consequently, Canada has been faced with the (seemingly impossible) project of constructing a national economic system based on segmented economic regions.

Thus, Canada’s unique postwar national-regional fix has been based on strategies that have often appeared to be contradictory. Some policies have stood as clear efforts to reduce regional disparity and institute spatial equity, while others have explicitly pursued the development of regional advantage and specialization. In this respect, Canadian efforts to establish a national economic space are perhaps best characterized as the pursuit of a national system of regional economies. Drawing on key works of Canadian political economy, I argue below that such a national-regional spatial fix was pursued at the federal level through three policy spheres: fiscal policy, regional development policy, and international trade and investment policy.

The strongest tendency to national uniformity in the Fordist-Keynesian era was achieved in federal fiscal policies. Fiscal policies of price and cost control had existed

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11 These categories are, of course, deeply flawed. For instance, the forestry-based economies of northern Ontario and Quebec have more in common with the western region than the manufacturing regions to the south. Similarly, some authors argue that the clearest regional division in Canada is north-south, which contrast the southern metropolitan areas (comprising the cities of Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montreal, Halifax) with the northern periphery (e.g., Bone 1992: 10). Such arguments have validity, but are less salient to the present discussion.
since Confederation, particularly in the form of transportation subsidies. These were extended in the postwar period as part of a systematic struggle to "reduce or eliminate geography" in the Canadian economy (Fairbairn 1998: 6).

[Transportation subsidies] can be understood as measures to equalize prices across the country, to eliminate differential transportation costs, and to permit high-cost and low-cost regions to co-exist on equal footing. Under these arrangements, the public pays to ship barley so that livestock or poultry might be produced in (say) St. John's competitively with lower-cost regions. Such ideas of national uniformity were deeply embedded in postwar federal policy and have been only fitfully weeded out in recent years of deregulation (Fairbairn 1998: 6).

However, the most enduring attempt at fiscal uniformity began with the establishment in 1957 of the federal Equalization Program. The Program, which came to be entrenched in the 1982 Constitution, is based on the redistribution of federal tax revenues to poorer provincial governments. As such, the program "was intended to reduce disparities between regions, to achieve a national standard in public services, and at the same time to equalize provincial government revenues" (Savoie 1992: 26). Despite persistent logistical and political challenges, equalization has achieved marked success in establishing relative uniformity in service delivery (but not economic equality) across the nation (Broadway and Hobson 1998).

While these fiscal policies were clearly 'nationalist' in aim and orientation, the spatial nature of regional development policy in the Fordist period is less consistent. On the one hand, the series of postwar attempts at addressing regional disparities was framed at the time as a project of national unity. According to Savoie (1992: 32, 233), the Liberal government of Pierre Trudeau that oversaw the greatest extension of regional development policies (from 1968 to 1979) explicitly identified regional inequities (alongside language rights) as the most serious threat to Canadian federalism. Indeed,
early programs such as the Area Development Agency (ADA), and the original manifestation of the Department of Regional Economic Expansion (DREE), were based on a particular interpretation of spatial uniformity. Specifically, these programs offered tax incentives and later direct capital grants to manufacturing firms to (re)locate to underdeveloped regions or those with high unemployment. As such, they constituted an attempt at modernizing regional economies according to industrial model of central Canada (Brodie 1990: 172). This was a national-uniform vision. But, as argued by Matthews (1983: 106), such programs were based on ‘growth pole’ theories of development, which assumed that “regional economic growth can be best stimulated by establishing large ‘master’ industries in underdeveloped regions [that are then] capable of altering the whole pattern of economic relationships within the region” (cf. Perroux 1955; see also Markey et al. 2005: 111). In this respect, the promotion of inter-regional parity and national economic uniformity was in fact premised on the institutionalization of a rigid economic hierarchy within the region, and the consequent entrenchment of relationships of dependency (cf. Matthews 1983: 113).

This national uniformity/regional growth pole approach led to a system of federal interventions that was in a sense markedly non-regional. While investments were targeted at regions (in the early years of the DREE program, almost exclusively to Atlantic Canada), funding “supported the same kind of initiatives right across the country”, nearly all of it going to basic infrastructure and the construction of short-lived industrial parks (Savoie 1992: 43, 65). In subsequent years, the DREE redefined both its national and regional character. On the one hand, the geographic area of the program swelled to encompass over half of Canada’s population, and 93 percent of its territory
(Wallace 2002: 25; Savoie 1992: 81). In that raw sense, regional development had gone truly national. But on the other hand, a strong shift occurred within DREE in the late 1970s to retire the strategy of uniform industrial development and pursue projects based on “the comparative advantage of each region” (Minister Marcel Lessard in 1978, quoted in Savoie 1992: 70). This meant fostering ‘ocean industries’ and forestry in Atlantic Canada, hydroelectricity and textile manufacturing in Quebec, farm, automobile, and steel manufacturing in Ontario, and energy, resources and transportation in western provinces (Savoie 1992: 70-2). This strategy envisioned a robust national economic system based on regional differences and advantages.

The third means for pursuit of Canada’s national-regional spatio-temporal fix during the ‘long boom’ of the postwar period involved international trade and investment policy. As has been discussed, Canadian fiscal policy has traditionally emphasized spatial uniformity, while postwar regional development policy progressed through generations of spatial selectivity. In contrast, postwar international trade and investment policy has been a persistent contributor to the entrenchment of regional economies. A pertinent example of this involves forestry in British Columbia. Hayter (2000: 233) notes that federal negotiations with the United States and under the General Agreement on Tariffs and Trade directly precipitated the explosive postwar growth of industrial forestry in BC. These negotiations lowered tariffs on raw products such as lumber and newsprint, while retaining those on finished products. This arrangement encouraged large scale (largely foreign) investment in a system of mass production based on commodity supplies (a regional advantage) rather than end-market, value-added demand.
This strategy of pursing regional advantage through trade policy and pursuit of foreign investment was also applied to central Canadian manufacturing regions, most evidently in the 1965 Auto Pact between the governments of Canada and the United States. The Pact exchanged tariff-free access to the Canadian market for commitments by US automakers to invest in the Canadian manufacture of vehicles and/or to purchase automobile parts from Canadian producers. However, this nation-to-nation agreement was in fact aimed at the narrow industrial corridor from Southern Ontario through Southeastern Quebec. Thus, as argued by Anastakis (2004), the Pact was simultaneously a continentalist, nationalist, and regionalist policy, as the government of Canada sought to develop a stable manufacturing sector and region, but based directly and explicitly on foreign capital.\footnote{Recent histories of the Auto Pact most often consider it as a precursor of later North American free trade debates (cf. Wonnacott 1987). However, the nationalist bent of the Pact is clearly seen in the history of the deal posted on the Government of Canada's website (http://canadianeconomy.gc.ca): The [establishment of a] single market allowed Chrysler, Ford and General Motors to rationalize production in Canada and the United States and form a single integrated production and marketing system. Larger, more efficient car plants were built to serve both countries, which led to an expanding automotive industry in Canada. Higher levels of integration and better access to the world's largest auto market enabled Canada to develop an internationally competitive auto industry.}

To sum, Canada’s postwar experiment with Keynesian economic policies of ‘managed private growth’ was arguably the most thorough of all industrialized nations (Wolfe 1984: 48). In a spatial sense, however, the picture is less clear. Due to its political, geographic, and economic histories, Canada has struggled with the tension between regional disparity and comparative advantage. This has made the establishment of a national spatio-economic system highly problematic – a challenge that was met with an attempt to establish a ‘national-regional’ spatial fix for Fordist-Keynesian capitalism.
(cf. Jessop 2002). This has generally involved tempering regional economies with efforts to achieve national fiscal equity.

3.3 Spatial Fordism-Keynesianism in British Columbia

While Canada has historically struggled to achieve a 'spatio-temporal fix' at the level of the nation, the national-regional compromise allowed for the much more successful implementation of spatial Keynesianism (and to a lesser degree, spatial Fordism) at the level of the province. In this section, I argue that the British Columbian case is extreme in this regard. Specifically, the government of British Columbia in the postwar period sought to establish an integrated economic space across all rural territories of the province. This strategy was based on an aggressive development agenda spearheaded by the provincial government that attempted to establish a province-wide "geography of Fordism" (Hayter 2000: 59). This geography involved the extension of industrial resource production to all areas of the province. As such, state strategies for rural development were based on the pursuit of (relative) dispersion and spatial uniformity in productive capacity within and across rural territories.

Historians generally attribute the force of this rural development agenda to the populist politics of British Columbia's postwar Social Credit government, and specifically to the personal agenda of Premier W.A.C. Bennett (e.g., Robin 1972: 189; Mitchell 1983: 257; Barman 1991: 275). Bennett, who served as Premier from 1952 to 1972, had strong roots in the Okanagan region and was a strong advocate of resource development (Robin 1972: 170). Moreover, the Social Credit party's roots in neighbouring Alberta had a direct impact on its economic policies. By the time Bennett
was elected in 1952, Alberta was in the midst of an oil boom that was held up by the party as a model for British Columbia (Barman 1991: 276).

Attempts to construct a geography of Fordism in postwar British Columbia were pursued by several means. First, immediately following election, the Bennett government began implementing a “northern vision” based on massive investments in the construction of a province-wide transportation infrastructure. Indeed, the latter half of the 1950s saw more capital investment in highways than in the entire history of the province (Barman 1991: 281). Second, the province significantly overhauled land and resource use policies in this period to establish long-term tenure rights in forestry – a situation that explicitly favoured larger resource firms and integrated harvesting and processing operations (Hayter 1978a). In addition, these reforms directly encouraged the dispersion of processing facilities. This is most evident in the establishment of the appurtenancy condition on tenure rights, which required major forest license holders process timber in the region of harvest. Appurtenancy was quite simply “aimed at preserving community stability by requiring a company to commit to building and operating processing facilities as part of the tenure contract” (Blanchard 2002). While this condition was often forgiven, its substitute requirement was that product be redirected to other facilities owned by the firm. Similarly, Barr and Fairbairn (1974) link the geographic dispersion of Kraft pulp manufacturing in the province to the establishment of ‘utilization’ conditions, which required license-holders to harvest a variety of species. This provided a basis for woodchip production that, along with the

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13 The vision of rural industrialization and spatial uniformity was so strong that in 1957 the government of W.A.C. Bennett signed an agreement for the construction of a monorail system to link the north-central city of Prince George with the Yukon territory. This wildly untenable project was reluctantly abandoned only after rancorous debate in the provincial legislature (Bradbury 1978: 122).
policy of attaching pulpwood harvesting licenses only to select tenures, encouraged geographic dispersion in the pulp industry (albeit limited) as pulp mills sought to locate in proximity with chip-producing and tenure-tied sawmills. This conclusion is reinforced by Hayter (1978b), who interviewed executives in major pulp firms operating in BC in the mid 1970s. This study found that proximity to harvest area (area of supply) outweighed proximity to market (typically for export to the United States, Japan and/or Europe) as a consideration in locational decision-making. This meant that government designations of land and resource usage (for instance, the granting of Pulpwood Harvesting Areas – PHAs) had a strong influence on expanding pulp production into non-traditional regions (Hayter 1978b: 245).

Third, BC’s ‘geography of Fordism’ was pursued via settlement and community-building. From an industrial perspective, the geographic spread of resource production throughout the province created a need for a permanent supply of labour. This need was rooted in the Fordist system of production that encouraged high capital investment in large facilities, as well as consequent labour arrangements of shift work and rigid job specialization (Marchak 1983: 175; Hayter and Barnes 1997a: 10). This led the provincial government to forge direct agreements with major resource firms to jointly invest in new communities or “instant towns” across the province, and to provide new amenities and infrastructure to existing communities. According to Bradbury (1978: 117), instant towns in particular “represented a deliberate attempt to bring about social change” in rural production. Specifically, these were intended to promote stability in the labour market by offering a high quality of life, including amenities appropriate to young families. But more than this, Bradbury argues that the towns themselves were a direct
strategy for rural economic development, as the establishment of “a network of new and permanent settlements could be expected to facilitate further exploitation of natural resources in the future” (1978: 118).

In summary, British Columbia’s spatio-temporal fix in the Fordist period was based on a strategy to spatially disperse productive capacity, settlement, and labour across rural territories. To be clear, this strategy of dispersion could never be strictly achieved in the vast and varied spaces of BC’s rural hinterland. Moreover, the strategy also entrenched a system of core-periphery relationships that in fact concentrated control over BC’s rural spaces in political offices in Victoria, and more saliently in corporate offices in Vancouver, Toronto, and the United States (cf. Evenden 1978; Marchak 1983). Nevertheless, the pursuit of a ‘geography of Fordism’ in BC had a strong influence on the creation of a coherent economic system at the level of the province. Postwar British Columbia stood as an extreme case of spatial Fordism/Keynesianism, albeit at the level of the province and region rather than the nation.

3.4 The Extended Crisis of British Columbia’s Spatio-Temporal Fix, 1980-2006

British Columbia’s rural economy has suffered severe disruption and complication over the past several decades. The province’s resource-dominated economy has historically fluctuated due to cyclical domestic and international demand for commodities from forestry, mining, and fisheries. However, current developments in resource economics break in several ways with traditional patterns of cyclical boom and bust. First, environmental degradation has strongly affected the costs of harvesting and processing, particularly in forestry and fisheries (Marchak et al. 1999; Lackey 2003).
Second, the entry of new producers and producing regions into the global economy means that BC producers are increasingly price-takers rather than setters in many markets (Hayter 2000: 75-7). These developments have severely depressed employment and investment in BC’s traditional high-volume resource sectors. This decline began in the early 1980s in forestry and mining, and in the 1990s in commercial fishing.

At the same time, BC’s resource spaces have come under increased pressure from competing claims over property and access rights (Hayter 2003). At present, 94 percent of landmass in British Columbia is designated as “Crown lands”, and are under the direct custody of the provincial government. This designation means that Crown lands are held ‘in the public trust’, a fact that has anchored recent challenges by environmental groups to provincial resource management policies (e.g. Nowlan 1996). Additionally, the vast majority of Crown lands are currently under claim by Aboriginal groups. These claims have strong legal force, as Aboriginal title in British Columbia has never been extinguished under treaty.14 The struggles of BC’s Aboriginal groups to secure rights over traditional territories continues both in political negotiation and in Canadian courts.

In combination, these developments have created a crisis in British Columbia’s resource economy. At the time of writing, resource production has recently increased in some areas of the province as world commodity prices have climbed dramatically since 2003, due in large part to demands from China and other high-growth developing economies. However, much of the present increase in commodity production in British Columbia is linked to the infection of vast swaths of Crown forests with the mountain pine beetle, which is being controlled by increasing harvest in affected areas.

14 The north-eastern corner of the province is an exception, as it is covered by the Government of Canada’s Treaty 8.
Environmental groups argue that this is only exacerbating the environmental crisis facing resource industries in the province (Calof 2004). Moreover, the present upswing has not blunted industry concerns regarding long-term viability and returns on investment (Simpson 2005).

Pearse, writing with specific reference to coastal forestry, outlines the now-common argument that the present downturn is discontinuous with prior recessionary periods.

Although the industry’s profits rose and fell during the 1990s, it is important to recognize that the decline in the latter half of the decade was not simply the downside of a cycle. The short-lived resurgence following the recession of the early 1990s disguised changes taking place that would permanently impair the industry’s financial performance. Logging, already becoming remote and costly, was subjected to new and wideranging controls on forest practices that increased costs significantly; a change in stumpage policy increased the price of timber. In the mills, while output declined, regulatory requirements kept ageing and obsolete mills operating at high costs. And in the industry’s major markets, aggressive new competitors, with new and often superior products, permanently established themselves and began expanding their market shares. These changes will not be reversed by a cyclical recovery (Pearse 2001: 6).

These trends present real challenges to BC’s tradition of volume-based resource production. Beginning in the mid-1980s, major resource sectors began a period of restructuring in a series of attempts to enhance productivity (Hayter and Barnes 1997a; Wallace 1996). This restructuring has occurred primarily at the level of the firm, most often involving the reorganization of production (closing of sites and mills, and/or their refurbishing for flexible specialization), as well as the restructuring of labour contracts to enhance flexibility in shift-work and hours worked. These changes have substantially reduced the labour intensity of resource production, most notably in forestry and mining. Employment trends in these sectors from 1980 to 2000 are presented in Figures 3.1 and 3.2.
Figure 3.1
Employment in Forestry in BC: 1980-2000

Source: Canada 2003c

Figure 3.2
Employment in Mining in BC: 1980-2000

Source: British Columbia n.d.
These challenges in global competitiveness, sustainability of the resource base, and employment have seriously undermined the postwar project of spatial Fordism/Keynesianism in the province of British Columbia. Since the recession of the early 1980s, the policy challenge has shifted from promotion of spatial dispersion in production to the need to enhance productivity and flexibility across all resource sectors (cf. Hayter and Barnes 1997a; Wallace 1996). In the remainder of this chapter, I discuss the policy response of the governments of British Columbia and Canada to this crisis. As we will see, this presently involves explicit efforts to create separate policy environments for resource corporations and rural communities. This segregation is based on the institutionalization of two distinct spatial strategies in rural BC. On the one hand is a space-intensive strategy that is aimed at liberating major resource firms from environmental and economic obligations to locality. On the other hand is a "localist", place-intensive strategy that is being implemented to promote community-level economic development through the mobilization of local entrepreneurialism in governance and in the private sector. This restructuring of the policy and institutional bases of rural development is positioning resource and community economies on very different trajectories of development.

3.5 New Spatial Strategies for Industry

As previously mentioned, challenges of productivity and competitiveness in BC's resource sectors came to the fore strongly in the recession of the early 1980s, prompting major firms to restructure production and labour arrangements in pursuit of operational flexibility (cf. Hayter and Barnes 1997a). Concurrently, successive provincial
governments have responded to this crisis by enacting a series of reforms to land and resource usage. The Social Credit government of the 1980s sought, in traditional Fordist fashion, to address weakness in the resource sectors by expanding production. Specifically, it implemented an internal policy of "sympathetic management" that allowed resource firms to overharvest and circumvent key environmental regulations without punishment (Jackson and Curry 2004: 29). Eventual media exposure of this strategy caused an intense public backlash that significantly contributed to the emergence of BC's powerful environmental movement.

In contrast, the subsequent efforts of the social democratic New Democratic Party (NDP) government (1991-2001) to re-regulate resource spaces were strongly motivated by environmental and Aboriginal issues (cf. Cashore et al. 2001; Hayter 2003). The NDP approach was exemplified in the work of the Commission on Resources and Environment (CORE), whose mandate was to establish participatory regional planning processes to negotiate specific land use designations within the overall objective of zoning an additional 30 percent of Crown lands as permanently protected spaces. This process was intended to placate environmentalist and Aboriginal concerns, while benefiting industry by eliminating uncertainties over access and supply. Yet at the same time, the NDP significantly restructured state relationships to industry by implementing stringent environmental and inspection regimes under the Forest Practices Code. That government also sought to diversify the resource economy by selectively but substantially raising forestry stumpage rates. This move has been described by Hayter as a high risk gamble or an economic "leap of faith", as it was presumed that higher
stumpage would increase the value of timber and therefore encourage the emergence of higher value, secondary production (Hayter 2000: 95).

The efficacy of NDP policies to reform resource production and land use in the province continues to be controversial. However, the most significant reforms to resource spaces in British Columbia have been implemented since the 2001 election of the centre-right BC Liberal Party (BCLP). In contrast to previous governments, the BCLP has sought to re-regulate British Columbia's resource spaces with the direct objective of flexibility. The major policy instrument for these reforms has been the *British Columbia Heartlands Economic Strategy* (HES), which was formally announced in February of 2003. These reforms, summarized in Table 3.3, constitute a significant liberalization of resource spaces.

The HES acts in several ways to liberalize resource space. First, these reforms broaden access to Crown lands by moving toward a "two-zone classification" of Crown property as either open or closed to private development. Protected zones are limited to parks and ecological reserves, with the remainder being (in principle) open to forestry and mineral exploration and development (British Columbia 2003a; Hoberg and Paulson 2004). This is a radical departure from previous systems that restricted access and activities to specific portions of land according to plural land classifications.

Second, these reforms facilitate operational flexibility. For instance, the 2004 *Forest and Range Practices Act* implements "results-based" environmental and operational regulations. This means that regulations refer to outcomes or 'end results'.

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15 See, for instance, the very different interpretations presented in Pearse (2001), Cashore et al. (2001), Hoberg (2002), and Jackson and Currie (2004).

16 Most reforms have been pursued through individual ministries (most notably the Ministry of Forests and Ministry of Energy and Mines). However, HES documents frame these as part of an overall economic strategy for rural development in British Columbia (cf. British Columbia 2004a).
rather than processes and practices. In the forestry sector, firms are freer to choose method of cut, designate areas for cutting, and build access roads without requiring prior approval (WCEL 2002). The Act requires approval of five to ten year “stewardship plans” that must be in congruence with regional land use management plans, but allow significant flexibility in on-the-ground practices (British Columbia 2003b: 10). Similar results-based policies have been introduced in other sectors, notably aquaculture (Shaw, in progress).

**Table 3.3**  
*Major Resource Sector Reforms under BC's Heartlands Economic Strategy*\(^\text{17}\)

- **Forestry Revitalization Plan:** ends requirements for minimum annual harvest; ends ‘utilization’ requirement that firms harvest a variety of species; allows the subdivision and sale of tenures and licenses; abolishes appurtenancy requirements that timber be processed in the region of harvest.

- **Working Forest Initiative:** establishes dedicated lands for forestry and mining (45 million ha.).\(^\text{18}\)

- **Two-Zone land use system:** allows mineral exploration and development on all Crown lands except for Parks and ecological reserves (85 percent of BC’s land base is now “available for mineral exploration”).

- **Defined Forest Area Management Initiative:** transfers responsibilities for environmental monitoring to forestry firms.

- **Forest and Range Practices Act:** establishes results-based regulation, which “allows flexibility in meeting environmental standards” by governing end-results rather than processes.

- Requiring forest license holders return 20 percent of tenure to the Crown, for redistribution to First Nations, Community Forests, and private woodlots.


\(^\text{18}\) As of August 2004, the Working Forests Initiative is no longer a coherent piece of legislation. However, the province appears committed to fulfilling key principles of the Initiative under existing legislation and policies (see British Columbia 2004c).
Third, HES re-regulation frees industry from attachments to specific places. For example, the *Forestry Revitalization Plan* introduced in March 2003 ends the longstanding policy of appurtenancy, which requires timber be processed at local mills, or alternatively by mills directly owned by the tenure-holder. The elimination of this requirement has been assailed by labour groups such as the Industrial, Wood and Allied Workers union (IWA) as “the severance of the longstanding social contract between workers, communities, government and industry in British Columbia” (IWA 2002). The rationale presented by the provincial government for removing the place-requirement for processing strongly emphasizes the conflict between community attachments and resource sector productivity.

Timber processing rules were introduced in an attempt to create local or regional economic benefits from the timber that was [locally] logged. But these regulations led to a series of unintended consequences that hinder the forest sector’s ability to make sound, business-based decisions. ... Forcing licensees to process wood at mills with equipment that is outdated, or at mills that make products that are not in demand, prevents valuable public timber from flowing to other, better uses. ... Some British Columbians view these policies as part of the social contract that forest companies should meet in exchange for the right to log public land. But while these policies may have made sense in a different time with different market conditions, they have not shielded today’s communities from job loss and economic difficulties. In fact, they serve as a disincentive and impediment for the forest industry (British Columbia 2003c: 17).

Simply put, this argument asserts that industry must be liberated from specific obligations to place (environmental and community obligations) in order to compete in an increasingly competitive global economy. This strategy stands in strong contrast to postwar development strategies that sought dispersion and invested in communities as a support network for industry. Instead, rural and remote communities are now conceptualized by state policy as obstacles to industrial profitability (cf. Simpson 2005).
Taken together, HES reforms have a dual effect on the character of resource spaces. On the one hand, they make them more uniform and exchangeable. The movement to "two zone" land classification, the liberalization of the trading of access rights, and the implementation of results-based environmental regulation, each break down the political and economic differentiation of resource spaces. On the other hand, HES reforms render the usage of resource spaces more particular. This is most evident in forestry, where the elimination of 'utilization requirements' means that forestry firms are no longer required to harvest a mix of species. These reforms "allow a licensee to make the appropriate business decision to cut and remove timber if and when it makes economic sense to do so" (British Columbia 2003d). In other words, firms can now flexibly use particular spaces based on market demand. This combination of uniformity and particularity open up BC's resource spaces to variable use, where spaces can be harvested and traded (by capital-rich players) according to specific demands (cf. Marchak and Allen 2003: 5). These reforms significantly extend corporate control and discretion over resource territories to manipulate according to market imperatives.

In summary, the period following the 2001 election of the BCLP has seen a strong shift in spatial strategies for resource development in British Columbia. In contrast to the Fordist ideal of disperse production, the series of reforms discussed above clearly facilitate a market-based spatial selectivity. This system is explicitly premised upon the liberation of production from obligations to place and community. More than this, it advances a vision of sectoral development that is reliant upon the uneven development of territories and communities (cf. Brenner 2003: 211).

The reclamation of timber rights from major firms (20 percent of holdings) for re-distribution to Aboriginal and community groups stands as a key exception. This policy is discussed in the following section.
This leaves many communities in rural BC in a state of deep uncertainty and confusion. Cut off from traditional economies and activities, many community members and business owners express deep reservations and fears for the future of their communities and livelihoods. These sentiments are thoroughly considered in Chapter 4. The remainder of this chapter, however, examines how the liberalization of resource spaces has proceeded concurrently with a dramatic restructuring in state approaches to place-based or community-level development.

The separation of industrial and community economies creates a real political problem, as the economic functions and foundations of many rural communities are being severely reduced or negated. As we will see, senior governments are responding to this problem by instituting new forms of “network-based governance” that are intended to foster local capacities to engage with global economies ‘from the ground up’ (cf. O’Riain 2004). These policies and programs take an active role in fostering a community- or locality-based globalization that operates according to fundamentally different principles than the liberalized corporate-resource economy. In opposition to the spatial reforms to resource sectors, this approach to development is place-intensive, intended to mobilize local resources and capacities to achieve development goals based on community-level entrepreneurial capacities. As such, it treads the line between community empowerment and the extension of governance-at-a-distance – between neoliberal devolution and new forms of state activism to construct new economic spaces and opportunities in the periphery.
3.6 New Spatial Strategies for Community

The crisis in spatial Fordism in British Columbia has created new problems of rural governance. As previously discussed, postwar efforts to achieve spatial dispersion in resource production involved the simultaneous expansion of settlement and industry. Problems of labour force availability and stability prompted significant public and private investments in local amenities and infrastructure, both in ‘instant’ and established communities. The crippling recession of the early 1980s ended this era of development in most rural regions of BC, as major resource firms began re-concentrating investment and employment in larger centres (Markey et al. 2005: 80). This presents senior governments with a significant policy dilemma with respect to rural communities. Given current firm-level and spatial restructuring in corporate resource production, many communities are threatened with becoming ‘places without purpose’ in regional and global economies. As we will see in Chapter 4, this threat has become a focal point for community and entrepreneurial action in the case communities of Bella Coola and Port Hardy. From a political economic perspective, however, the future prospects for many communities appear dim, as local firms are suffering the double blow of being cut off from traditional corporate clients while embedded in a shrinking local economy (Hayter 2000: 299).

In this section, I argue that the governments of British Columbia and Canada are implementing a novel strategy for local community development in rural BC that differs radically from traditional forms of rural governance. This strategy is based on a vision of endogenous or ‘ground up’ development as a basis for rural globalization. This approach has become popular among advanced capitalist nations as a strategy for assisting
‘lagging’ regions to mobilize place-based human, social, and capital resources as a means of generating new economic activities (cf. Terluin 2003). As we will see, in the British Columbian case, this approach to governing and intervention in local economies is associated with a very different vision of globalization than that pursued for the corporate-resource economy – one that seeks to intensify local-global relationships based on the entrepreneurial efforts and capacities of community-based actors.

The corporatist method of local development and economic governance

During the Fordist era in British Columbia, rural regions and communities were subject to a highly corporatist method of economic governance. According to Schmitter (1981: 295),

Corporatism is a [method of governance] in which formally designated interest associations are incorporated within the process of authoritative decision-making and implementation. As such, they are officially recognized by the state not merely as interested intermediaries but as co-responsible ‘partners’ in governance and social guidance.

Marchak (1983: 55) has famously labelled the Fordist period of development in rural British Columbia as an era of “partnership” between government and strong corporate entities, particularly resource firms and organized labour. The authority and influence of this triumvirate in its heyday is difficult to overstate. This partnership of interests had significant sway over provincial resource and environmental policy well into the 1980s (Marchak 1983: 59; Cashore et al. 2001). Corporatism was also a fact of local government, community, and economic life. According to Bradbury (1977), reforms such as the 1965 Instant Towns Act of British Columbia, which were intended to liberate

resource communities from the tyrannies of ‘company town’ status, served in some ways to formalize corporate influence in local governance.

The responsibility of running the town was transferred to the local government, but the companies, whether or not they desired it, still maintained a form of control over the growth, viability and longevity of the communities by virtue of their control over housing stocks, development land, their influence on municipal councils, and their hold over the major source of capital and the source of income of the workforce (Bradbury 1977: iii-iv).

This led to a situation of strong corporate influence over local economic direction and development. As argued by Hayter (2000: 288),

During the boom years of Fordism, many forest towns enjoyed prosperity and relative stability. [But] for these communities, local development was equated with the strategies of the dominant employers typically headquartered elsewhere. Locally, the promotion of industrial development was a non-issue, and local government dealt primarily with managing basic community services. ... Local development was orchestrated by multinational corporations and senior levels of government.

Corporatist governance played a significant role in the projects of spatial Fordism and Keynesianism in British Columbia. In order to promote dispersion in production and settlement, it was not unusual for the provincial government to require resource firms to invest in community amenities and infrastructures (cf. Marchak 1983: 311; Lewis 1978). Conversely, the implementation of the Fordist-Keynesian vision involved the dramatic expansion of government institutional ‘presence’ in rural communities (cf. Halseth et al. 2002: 2). The expansion of education and health care services across rural regions of the province were particularly notable in terms of their impact on quality of life (Barman 1991: 300). Moreover, concerted efforts were made to extend state presence in other fields, such as human and social services (human resources, social welfare) and
regulatory, expert, and administrative capacities (most notably offices of the BC Forest Service and Ministry of Environment).

In recent years, the corporatist method of governance in rural British Columbia has been largely dismantled and withdrawn alongside the decline of Fordist-Keynesian visions for universal development within and across the territories of province and nation. Specifically, the institutional presence of both resource firms and senior governments have been dramatically reduced in many rural communities and former regional centres. On the industry side, Hayter and Barnes (1997a: 26) argue that the relationship between communities and dominant corporate employers has been fundamentally "rearticulated" by the movement towards flexible production and labour arrangements. Foremost, the imperatives of flexible production have rendered investments in centralized but flexible facilities much more feasible than maintaining a disperse network of dedicated mills (Markey et al. 2005: 80; Pearse 2001). Even in communities that remain dependent on one or few resource employers, the relationship between firms and community has been qualitatively changed.

The rearticulation [that is currently] occurring between mills and their associated communities in BC’s coastal forest economy takes on various dimensions. Most obviously, the transition to flexible production has meant that once-dominant companies provide communities with less income from taxes, fewer permanent jobs, fewer spin-offs for local businesses, fewer goodwill contributions, and practically no casual (weekend and summer) employment for high school and university students (Hayter and Barnes 1997a: 26).

The institutional presence of senior governments and agencies has also been dramatically reduced in many rural communities in British Columbia. Figure 3.3 graphically illustrates this withdrawal by mapping recent closures of rural centres of service-delivery and government administration. These closures are emblematic of a withdrawal of
Fig. 3.3
Closures of (Select) Service Offices in Non-Metropolitan Areas in British Columbia since 2001

Traditional forms of state representation and intervention at the local level. First, the closure of Human Resource offices literally represents a withdrawal in human services, specifically of on-site resources for employment and social assistance. Second, the closure of provincial Ministry of Forests offices stands as a retrenchment of the

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administrative role of rural communities in industrial and environmental regulation. These offices served as branches for monitoring compliance with the now-defunct *Forest Practices Code* (replaced by the *Forest and Range Practices Act* – see Table 3.3), data gathering, and care of public facilities on Crown land (BCGEU 2002). Third, the closure of Provincial Courthouses is being opposed by the Canadian Bar Association specifically on the principle of universality in access to justice services (Canadian Bar Association 2002). Interviews conducted by Tenove (2005a, 2005b) found the withdrawal of the court system to be particularly biting for rural residents, as the institution of the court stands as an emblem of the social contract and represents a direct relationship of citizen to state (see also Herbert-Cheshire 2003: 464).

The retrenchment of traditional state presence in rural communities is significant in several respects. First, there exists a significant literature that links levels of service availability with social cohesion and with local economic health and vitality (see Desjardins et al. 2002, and Halseth et al. 2002 for reviews). Second, public administration and services are a very significant provider of local employment and community income. Using 1996 Census data from the 63 largest rural communities and regions in British Columbia, BC Stats recently identified the public service as the largest employer in regions outside of the Lower Mainland (British Columbia 1999). These figures are given in *Table 3.4* (as cited in Markey et al. 2005: 91). Given this centrality to local economic structure and incomes, the effects of service withdrawal have an immediate impact on all facets of the local economy.

While the retrenchment of corporate and state institutions from rural British Columbia is extensive and dramatic, it is important to recognize that this trend involves
much more than a simple reduction in state presence in community. As argued by Peck and Tickell (2002: 389), neoliberal policy reforms proceed by both “rolling back” certain types of state involvement while actively “rolling out new forms of institution-building and government intervention”. In the following, I will argue that the governments of British Columbia and Canada are responding to the crisis in rural BC by “rolling out” a very different form of state regulation and intervention in local economies that is reforming how communities relate to broader extra-regional and global economies. The corporatist governance that sought to satisfy Fordist needs for labour force and community stability is rapidly giving way to a method of economic and political regulation aimed at fostering and promoting local entrepreneurialism (both in governance and in private enterprise).

Table 3.4
Sources of ‘Incoming’ Wealth to Rural British Columbia’s 63 Largest Communities in 1996

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector</td>
<td>24%</td>
</tr>
<tr>
<td>Forestry</td>
<td>21%</td>
</tr>
<tr>
<td>Government to Government</td>
<td>16%</td>
</tr>
<tr>
<td>Transfers</td>
<td></td>
</tr>
<tr>
<td>Non-employment Income</td>
<td>10%</td>
</tr>
<tr>
<td>Construction</td>
<td>7%</td>
</tr>
<tr>
<td>Tourism</td>
<td>7%</td>
</tr>
<tr>
<td>Other Resource</td>
<td>9%</td>
</tr>
<tr>
<td>Other Service</td>
<td>6%</td>
</tr>
</tbody>
</table>

The facilitation and ‘steering’ of local entrepreneurialism

The replacement of corporatist forms of local governance with ‘entrepreneurialist’ institutions is radically changing state involvement in rural communities. Borrowing a concept advanced by O’Riain (2004; see also Ansell 2000), I argue that while senior
governments are rolling back corporatist institutions in rural British Columbia, they are simultaneously rolling out new programs and institutions of the “Developmental Network State”. According to O’Riain (2004: 10) the Developmental Network State is a particular type of government activism and intervention in local economies that is based on the selective decentralization of authority and capacity to quasi-autonomous agencies and organizations that are embedded in specific places and/or sectors (typically high-tech). Archetypal Developmental Network States are those of Ireland, Israel, and Taiwan, which have each made significant efforts “to nurture localized Post-Fordist networks of production and innovation within global flows by ... [creating] new state agencies that are professionally led, organized as networked structures, and ... embedded in state-society alliances” (O’Riain 2004: 5). In other words, these states have sought to promote “glocal” economic development by devolving some of the major development institutions and functions of the state to professional and expert groups. In the Irish case, which has been lauded for its rapid emergence as an international powerhouse in information technology, this has involved the establishment of state-funded industry and professional alliances, research and development agencies, and granting and lending bodies (House and McGrath 2004; O’Riain 2004: 174).

The core idea behind these ‘network-based’ institutions is that they are well suited to achieve what Evans (1995; 1997) terms “embedded autonomy”. This concept is to be interpreted literally, and refers to the ideal (neoliberal) functioning of state or bureaucratic intervention in economy and civil society. According to Evans (1995: 12-3), efficient Post-Keynesian or “competition states” strive to be as embedded as possible in local economies, while also retaining autonomy from local pressures and conditions (i.e.,
intervening based on the principles of merit, expert judgement, and "results-based" criteria rather than local 'politics'). In O'Riain's view, Ireland's network-based development infrastructure has been very successful in achieving embedded autonomy, in large part by ensuring that development agencies are led by state-employed experts but are engaged in "multiple state-society alliances with external constituency groups" (O'Riain 2004: 149). If successful, the institutions of the Developmental Network State can achieve tremendous flexibility, being responsive to local circumstances and situations while adhering to evaluation criteria established by the state and its officials (O'Riain 2004: 31).

The case of rural British Columbia differs significantly from the high-tech growth centres of Ireland or Taiwan. Nevertheless, these forms of network governance are becoming the primary means and method of state intervention in community economies in this region. This movement began in the 1990s, with senior governments instituting a series of rural development policies intended to diversify local economies by enhancing local capacities to pursue endogenous or 'bottom up' projects and opportunities (cf. Terluin 2003). Table 3.5 outlines the intended purposes and constituencies of several major place-based development initiatives currently administered in British Columbia. While this table is not exhaustive, it demonstrates that both the governments of Canada and BC are investing significant resources into development programs that target local governments, community groups, and local private enterprise.

These policies constitute a novel form of state intervention and presence in rural communities that replaces corporatist arrangements with programs that are intended to operate as "state-society partnerships and alliances" (cf. O'Riain 2004). For instance,
Table 3.5  
Select Development Initiatives Implemented by Canadian and British Columbian Governments since 1985

<table>
<thead>
<tr>
<th>Program</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government of Canada</strong></td>
<td></td>
</tr>
<tr>
<td>• Rural Development Initiative</td>
<td>Invites applications from community groups and/or local governments for funding “to support the development and adoption of long term, sustainable rural development strategies.”</td>
</tr>
<tr>
<td>• Community Economic Adjustment Initiative</td>
<td>Invites applications from corporations, community groups, and/or governments deemed to have suffered from the decline of the salmon fishery or the current trade dispute with the United States over exports of softwood lumber. The program directly funds new public and private ventures and infrastructure.</td>
</tr>
<tr>
<td>• Community Futures (Entrepreneur Programs)</td>
<td>Invites applications from small and start-up businesses for lending up to $125,000; also provides specialty pools for youth and the disabled.</td>
</tr>
<tr>
<td><strong>Government of British Columbia</strong></td>
<td></td>
</tr>
<tr>
<td>• Community Forests Pilot Program</td>
<td>Reclaims small portions of Annual Allowable Cut to be designated (via competition) as community tenures. “A community forest can be described as any operation managed by a local government, community group, First Nation or community-held corporation for the benefit of the entire community”.</td>
</tr>
<tr>
<td>• Coast Sustainability Trust</td>
<td>Invites applications from communities and First Nation groups on the coast for the funding of projects related to: “regional planning, infrastructure to support Crown land access and development, and marketing (attracting investment)”. All funding must be matched from non-provincial sources.</td>
</tr>
</tbody>
</table>
| • Northern Development Initiative            | Creates $135 million trust to be invested (by a Board of Directors advised by four regional committees) in development projects relating to: “forestry, pine beetle recovery, transportation, tourism, mining, Olympic opportunities, small business, economic development, energy”.

each of the programs in *Table 3.5* provide pools of funding for locally-driven 'public' and private ventures. Moreover, many of the programs provide expert assistance to community governments, groups, and/or private ventures to apply for funding and/or execute development initiatives. The most prominent example is the federal Community Futures Development Corporations initiative (CFDC), which was first implemented in 1986 but greatly expanded in the late 1990s. The CFDC program is a decentralized network of lending and expert support agencies that is directly funded by the Government of Canada. The program is large, as CFDCs held 11,723 loans outstanding in 2000 totalling more than $278 million CAD (Canada 2001: 17). Importantly, the CFDC network operates at multiple levels of organization. At the local level, CFDCs typically have a storefront presence staffed by local representatives. The mandate of local offices in British Columbia is,

> To provide their communities with a variety of services including business development loans, technical support, training, and information. In addition to the business development component, CFDCs involve themselves in a wide array of community initiatives, including strategic planning processes, research and feasibility studies, and the implementation of a diverse range of community economic development projects (CFDCWC n.d.).

However, individual CFDC offices in British Columbia are also members of a provincial association, a “Western region” (BC, Alberta, Saskatchewan, and Manitoba), and a Pan-Canadian network of 268 community-level offices. These wider networks play a key role in coordinating activities and bringing extra resources to bear on particular projects. For instance, the BC association aims to “to promote, coordinate and facilitate community economic development initiatives; to foster a better understanding of the Community Futures program; and, to serve as a catalyst in promoting strong partnerships between key
stakeholders involved in the community economic development process” (CFDCAB n.d.). The national network “aims to raise general awareness of the Community Futures Network and its services, and to facilitate the exchange of information between communities and participants across the country. [In doing so], we maintain a flat, non-hierarchical model of decision-making that encourages shared leadership” (PCCFG 2003: 2).

The CFDC network is a clear attempt to establish state-society alliances and achieve “embedded autonomy” in rural community development. The decentralized structure of the network means that local representatives make final decisions regarding small loans, while decisions regarding loans exceeding $125,000 are undertaken in consultation with the federal ministry responsible for funding the network (personal communication, CFDC lending officer). Perhaps more important to the achievement of embeddedness, however, is the capacity of local offices and representatives to ‘bundle’ financial and expert resources. For instance, all of the lending programs in Table 3.5 involve formal application processes that typically require submission of detailed business and loan repayment plans. But interviews with local representatives of CFDC and other state-supported lending programs uncovered the extent to which representatives work with applicants to design “fundable” business plans.

It’s the fundamentals that really matter – what they’re trying to do and who they’re trying to cater to, to sell to. If the fundamental plan is achievable and can make money, we can work on the details. We want to work on the details. ... [Many people] have trouble understanding the step-by-steps required to get a business going, but we can give much advice to applicants about procedures and markets.

(Female, Associated with lending agency, Interview Reference # 141)

I spend a lot of time meeting with clients. I spend a lot of time on boats going to sites. It’s usually three or four trips a month into the field. ... It’s the small
entrepreneur that’s usually the hardest to deal with – the less smooth. It involves multiple meetings that are almost like tutoring. Sometimes, by the second meeting, we’re just coming to terms with what a financial statement is.

(Male, Associated with lending agency, Interview reference # 52)

The aim of embedded autonomy is to achieve significant flexibility in state programs while avoiding the cronyism and patronage that have traditionally threatened locally-administered programs (cf. Evans 1995: 44). In this respect, these programs have achieved a measure of success. Interviews in the case communities for this research found significant awareness among community leadership and local firms of the funding options available by the programs in Table 3.5, with several firms in each community directly attributing their success or survival to the financial and/or expert resources provided by one or more of these programs.23

However, the restructuring of state involvement in rural communities is also subject of significant criticism. From a local point of view, the withdrawal of traditional state institutions and administrative capacities is particularly biting. For many community leaders, the implementation of network-based forms of state support and intervention pale to what has been lost.

I’ve been thinking about an analogy recently. Rural communities like ours here are at the edge of the government pond, and cities are in the middle of the pond. As the water is drained, we on the periphery get further and further away from the water. Those in the middle – they have less water – but the loss of one hundred government jobs means a lot less. We’re now dry. Bone dry. I really don’t think that the government understands the impact of closures on remote places. .... [Interviewer: what about programs like Community Futures? Do they help?]. You know what, I see a lot of B&Bs [bed and breakfasts]. It’s an irony. As the economy gets worse and worse, people here look for opportunities in tourism and

23 It is important to note that there were also some strong critiques levied against these programs, including favouritism, overly bureaucratic decision-making, and unwelcome interference in business practices by attaching conditions to lending.
service. They get shuttled into it. ... There are more rooms and restaurants here now than at the peak [of prosperity]. It just spreads the dollars very thin.

(Male, Community Leader, Interview Reference # 121)

The more [government] offices we lose, the more we're just like voices lost in the wilderness. ... With these [new funding programs], funding evaporates at the fiscal year, applications take months, evaluations take months ... and then you only have six months to meet a deadline. I don't know how much actually gets done with them.

(Male, Community Leader, Interview Reference # 12)

Network/flexible forms of state intervention are also subject to academic critique, with many authors arguing that these programs represent means of devolving responsibility for community decline or under-development to local governments, and/or are means for establishing neoliberal government-at-a-distance (cf. Herbert-Cheshire 2003). For instance, Peck and Tickell (2002) argue that the implementation of place-based development strategies is a hallmark of neo-liberal efforts to re-organize state powers and notions of state responsibility.

In the asymmetrical scale politics of neoliberalism, local institutions and actors are being given responsibility without power, while international institutions and actors are gaining power without responsibility: a form of regulatory dumping is occurring at the local scale, while macrorule regimes are being remade in regressive and marketized ways. This represents a deeply hostile macro- or extralocal environment that even the most robust of progressive localisms seems ill placed to overturn (2002: 386-7).

The neo-liberal strategy of downloading responsibility for local development is indeed evident in the programs in Table 3.5. For instance, while each of those programs has been established by senior governments, their implementation depends upon local initiative. In other words, these development programs are powerful methods of state
intervention in local economies, but only when accessed (via competition) by local actors. To give an example, the newly founded Coast Sustainability Trust (CST) program is mandated to assist forestry-dependent communities in the coastal region of British Columbia to diversify local economies. However, communities must secure matching funding dollar-for-dollar from sources outside the provincial government (British Columbia 2002b). This requires the entrepreneurial pursuit of multiple sources of support, as well as the investment of community capital and labour (in proposal writing, consultants’ fees, etc.) in order to access the program.

Herbert-Cheshire and Higgins (2004) lay a similar critique on entrepreneuralist strategies for local development, but posit that the political motivations behind these strategies are not limited to ‘regulatory dumping’. Rather, they argue that such programs are in fact means for restructuring the governance of local economies to achieve new forms of government-at-a-distance. Their interpretation of entrepreneuralist programs is rooted in the governmentality literature, which argues that “the structuring of freedom” or the conditions under which ‘self-government’ is conferred to communities is a powerful normative tool for the governance of troublesome populations (cf. Rose 1999; Magnusson 2005). In this light, the empowerment of communities to identify and pursue local development opportunities is real, but has a political and normative double-edge. That is, the shift to the competitive allocation of state support through decentralized agencies creates a slew of new categories by which to judge and evaluate local ‘success’. Thus the downloading of responsibility for the administration of local development spurs an explosion of terminology in the government and expert (i.e. consulting) literature to describe the condition of communities and their capacity to pursue entrepreneuralist
development. By consequence, some communities are deemed to be “healthy” communities, creative communities, responsible communities; while others are unhealthy communities, lagging communities, or unsustainable communities (Herbert-Cheshire and Higgins 2004: 292). Figure 3.4 outlines a popular checklist currently in use in Australian rural development circles to assess community ‘health’ and capacities to entrepreneurially pursue local development (adapted from Herbert-Cheshire and Higgins 2004: 293).

**Figure 3.4**

*"Healthy Communities Balance Sheet"*

<table>
<thead>
<tr>
<th>Healthy Communities</th>
<th>Unhealthy Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optimism, hope, ‘we are in this together’</td>
<td>Cynicism</td>
</tr>
<tr>
<td>‘We can do it’</td>
<td>‘Nothing works’</td>
</tr>
<tr>
<td>Consensus building</td>
<td>Polarization</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Confrontation</td>
</tr>
<tr>
<td>Focus on the future</td>
<td>Debate the past</td>
</tr>
<tr>
<td>Leadership renewal</td>
<td>Same old faces</td>
</tr>
<tr>
<td>Reconciliation</td>
<td>Holding grudges</td>
</tr>
<tr>
<td>Politics of substance</td>
<td>Politics of personality</td>
</tr>
<tr>
<td>Diversity</td>
<td>Exclusion</td>
</tr>
<tr>
<td>Challenge ideas</td>
<td>Challenge people</td>
</tr>
<tr>
<td>Problem solvers</td>
<td>Blockers and blamers</td>
</tr>
</tbody>
</table>

The authors argue that such instruments establish normative means for ‘governing local governance’, and that these criteria are often used directly used in the Australian case to determine which communities are ‘worthy’ of program funding.\(^{24}\)

By their very nature, such checklists create a distinction between communities that are unsustainable or ‘at risk’ and those that are comprised of ‘active’ and entrepreneurial citizens who manage their own risks in a healthy and responsible way. [But] the basis for the calculation and classification of this risk is not so much the state of a community’s decline – such as population levels or the presence of absence of essential services – but how that community conducts

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\(^{24}\) Jones (1998) outlines similar processes in the United Kingdom.
itself in the face of economic and social change (Herbert-Cheshire and Higgins 2004: 293).

**Toward a community-based globalization**

What these critiques suggest is that new entrepreneurial or network-based policies and programs are means of establishing indirect governance, or governance through local processes. Indeed, these programs exist at the intersection of neoliberalism and local empowerment. On the one hand, these programs are distinctly neoliberal, in that they are thoroughly grounded in market principles. By substituting the goal and principles of universalism (i.e., spatial Fordism and Keynesianism) for programs that are competitively allocated, government services and expenditures can be tailored to the true strengths and market ‘worth’ of a place or a population (Peck and Tickell 2002: 387). On the other hand, these policies and programs offer new avenues for local action that were not available under prior Fordist/Keynesian/corporatist arrangements. These programs heighten the significance of local actions and processes for community development.

In this section, I argue that the neoliberal and empowerment tendencies in new entrepreneurialist and network-based programs are ‘encouraging’ the development of a community-based globalization in the periphery. This involves the establishment of direct connections between local actors and broader markets and economic spaces. This form of globalization contrasts strongly with the concurrent liberalization of the corporate-resource economy, which is being achieved by a reduction in state intervention. In contrast, community-based globalization is based on both state activism and local efforts and capacities. The political economic motivations behind this situation are well articulated by Brenner and Theodore (2002a: 341):
Paradoxically, much of the contemporary political appeal to the “local” actually rests upon arguments regarding allegedly uncontrollable supralocal transformations, such as globalization, the financialization of capital, the erosion of the national state, and the intensification of interspatial competition. Under these conditions, in the absence of a sustainable regulatory fix at global, supranational, or national scales, localities are increasingly being viewed as the only remaining institutional arenas in which a negotiated form of capitalist regulation might be forged (emphasis added).

This double policy movement is very evident in British Columbia, where ‘supralocal’ economies (corporate space-based economies) are deregulated while localities become the primary target for “a negotiated form of capitalist regulation”. Importantly, however, the ‘local’ form of intervention is intended to achieve two things: to variously force, foster, and develop local entrepreneurial tendencies in local government and private enterprise, and to ‘steer’, sponsor, and otherwise encourage local actors into a more direct relationship with extra-regional and/or global markets.

While the former is achieved by institutionalizing competitive support for community projects and private enterprise, the latter proceeds through the coupling of entrepreneurialism with the principles of embedded autonomy (the granting of authority to agents/agencies that couple deep familiarity with local economic conditions with access to expert resources). For instance, as was previously discussed, local representatives of lending agencies work closely with local community leaders and private ventures in drafting and implementing proposals and plans. In interviews, the main problem identified by lenders is making proposals “realistic” or capable of long-term profitability. Almost invariably, this means linking local ventures with extra-local economic spaces and systems.

I wouldn’t touch a business with an exclusively local market. [In fact], I can’t think of one project we’ve put through that deals with local markets. [For
instance], I would never touch restaurants or retail. They’re untouchable. We just can’t do it. There’s no way to be sustainable or profitable [when] focussed on the local market. I do get a lot of proposals [like that], and you just have to be honest. It just won’t work.

(Male, Associated with lending agency, Interview Reference # 52)

The problem right now is that most ideas come straight out of people’s backyards. You have friends talking and one will say ‘why don’t you do such and such? This town really needs such and such’, but nobody does any arithmetic. The population’s just not here anymore to support them. ... The future is not in site-specific businesses. By that, I mean that a service plan cannot be based on a place-based clientele. [A business must] draw on outside clients and sales. ... Current businesses here have survived a massive downturn. There’s simply no room for new players in this place. The future is to reach outside of [the community].

(Male, Associated with lending agency, Interview Reference # 161)

Entrepreneurs have to understand what city-dwellers want in a product or in a tourism service. That is a real obstacle. ... [Also,] marketing is a big problem. Yes, that brings in new expenses like freight and marketing, but you must have an outside market for almost any new business [to survive].

(Female, Associated with lending agency, Interview Reference # 141)

The principles of embedded autonomy are a powerful means of ‘steering’ local capitalism in new directions. While it would be overly simplistic to argue that entrepreneurialist programs are single-handedly constructing a new community-based globalization in the periphery, these definitely have a significant influence on rearticulating the local-global relationship in post-corporatist community economies. In the following chapter, I outline what this transformation has meant for the case communities of Bella Coola and Port Hardy. Both communities are presently enmeshed in a difficult transition from ‘Fordist globalization’ based on corporate dominance of the local-global relationship, to a new community-based globalization that is based primarily on local actions and imaginations. There is much to criticize about the new spatial
strategies for rural development that are currently being pursued by senior governments, particularly with respect to their insistence that communities ‘find their own way’ in the global economy. But as we will see, this may also be the enduring legacy of the new policy environment, where multiple visions and ‘performances’ of globalization can be supported and sustained in the same local space.

3.7 Summary and Conclusions

This chapter has sought to examine the role of the state in the restructuring of spatial economies in rural British Columbia. While the political economy of the province has long been global in orientation, the governments of British Columbia and Canada are presently trying to resolve the contradictions and crises of Fordist rural economies by establishing plural forms of globalization in the periphery. This is being pursued by severing longstanding connections (and dependencies) between corporate-resource and community-based economies. Whereas the linkages between corporation, state, and community were the foundation for spatial Fordism and Keynesianism in the province, these are now understood as barriers to global competitiveness. The solution pursued by senior governments involves the institutionalization of separate spatial strategies for rural development: a space-intensive strategy for the corporate-resource economy, and a place-intensive strategy for community-based economies. The intention behind entrenching resource and community economies in separate spatial and institutional environments is to ‘liberate’ each to ‘find their own ways’ or alignments with the global economy. Within the resource economy, this is based on the extension of corporate authority over spaces. For community economies, this is based on the mobilization and ‘steering’ of
local entrepreneurialism through the institutionalization of competitive forms of state support alongside network-based forms of intervention that operate according to the principles of embedded autonomy.

The segregation of communities from the corporate-resource economy and their ‘re-embedding’ in the new entrepreneurialist policy environment has two key consequences for local economies. These will be the subject of further inquiry and analysis in the remaining chapters of this work. First, the spatial liberalization of resource economies in the province isolates many communities from the wealth embedded in the province’s vast resource spaces. To be clear, communities have never equitably shared in this wealth. However, segregation from the resource economy threatens many communities with becoming ‘places without purpose’ as traditional forms of work and wealth are withdrawn. The particular impacts of this transition on the case communities of Bella Coola and Port Hardy will be considered in Chapter 4.

Second, community-based actors are finding themselves in a new, more direct relationship to global forces, markets, and spaces. This has multiple causes, including the emergence of entrepreneurialist programs for development, the collapse of corporatist arrangements in local spaces, and local creativity, effort, and opportunity. The assumption behind government efforts to establish ‘community-based’ globalization is that local actors are capable of meaningful participation in broader economies. In Chapter 5 of this work, I investigate how local firms are responding to this new political economic reality that forces them into more direct contact with the global economy. This analysis highlights the emergence of new opportunities for local-global connections in
the periphery, as well as the challenges involved in ‘performing’ new network-based economic practices from positions of geographic marginality.
Chapter 4

Community

The forces that are reforming the spatial economies of industry and community in rural British Columbia are having a strong impact on the case communities of Bella Coola and Port Hardy. In the remainder of this thesis, I examine how the local economies of these communities are being reshaped by the movement towards plural globalizations in the periphery. On the one hand, the case communities are victims of this movement. As was discussed in Chapter 3, state efforts to enhance productivity and competitiveness in the corporate-resource economy are being achieved primarily through spatial liberalization. In this chapter, I discuss how the spatial reorganization of resource harvest and production is causing these communities to lose their status as regional centres in the global resource economy. While the experiences of these communities are different, both are becoming ‘less of places’ in the increasingly liberalized, flexible, and network-based
corporate-resource economies. This is a very difficult development for many community leaders to accept, and some despair for the future of these places.

On the other hand, local actors in these communities are actively pursuing new means for 're-connecting' with global markets and spaces. In Chapter 5, I will discuss how local firms in the post-corporatist economy attempt to 'reach across' the vast distances that characterize rural British Columbia in order to harness global flows and/or participate in broader extra-regional markets. I will argue that the ability of local actors to directly engage with broader economies hinges on their capacities to 'perform' network connections and movements – in other words, to mobilize and align key social and technological resources involved in establishing and maintaining pathways across space.

In the present chapter, however, the emphasis is on community-level experiences of and strategies for effecting spatial change. Specifically, I investigate how local leadership and community groups in Port Hardy and Bella Coola are re-imagining and re-articulating the relationship between their communities and wider economic spaces. These re-imaginings are both forced and pursued – they are the product of both the withdrawal of corporate actors from the local economy, and of local efforts to harness the new opportunities offered by entrepreneurial development programs to pursue new forms of community-level activism.

4.1 Change in the Status of Place

The communities of Bella Coola and Port Hardy enjoyed dramatic growth and relative stability under Fordist production and its associated ‘spatio-temporal fix’ that
promoted geographic dispersion and universality in industrial resource development. While this strategy meant that resource spaces were tightly controlled by ‘core’ or urban-based institutions of state and corporation, the postwar development strategy of spatial Fordism/Keynesianism (cf. Brenner 2004: 115-6) built the remote communities of Bella Coola and Port Hardy into significant regional centres of labour and administration in the corporate-resource economy.

The status of these communities is now changing. The restructuring of the resource sectors towards operational and spatial flexibility is isolating Bella Coola and Port Hardy from their traditional economic role and economic identity. As we will see, this ‘demotion’ in the global resource economy is traumatic for many community leaders and residents. At the same time, however, it is also prompting new imaginations of the economic future of the community. While these imaginations vary significantly, I argue that they are each exercises in “place-making” (cf. Gille and O’Riain 2002), or the claiming of an identity for the community that may conflict with its present political or economic status. Therefore, a common thread running through local spatial imaginations is the reaffirmation that ‘this place matters’ – that the community possesses or wields value in local, regional, and/or global economies.

Before proceeding, however, it is important to recognize the limits of the analysis to follow. This chapter is primarily concerned with the decline of traditional economic roles and identities (linked to Fordist resource production), and the emergence of new imaginations about the economic future of these places. However, this aim has a somewhat awkward relationship to the strong Aboriginal presence in both communities (Bella Coola contains two reserves of the Nuxalk Nation with a combined population of
approximately 1000 people; Port Hardy is adjacent to two reserves, the largest being the community of Fort Rupert, a Kwakiutl reserve with a population of approximately 450). On the one hand, Aboriginal people and governments are very much bound up with current changes in the resource economy. First Nation labour has long been integral to resource production in British Columbia (cf. Knight 1978). However, under Fordism, Aboriginal labour was generally marginalized and disadvantaged, as government policy and corporate employers explicitly sought to build a “stable and reliable” non-Aboriginal workforce in the periphery (cf. Menzies and Butler 2001: 409; Newell 1993). Nevertheless, interviews with First Nation leadership in both communities found that the current restructuring in the corporate-resource economy has indeed affected employment of Band members, particularly through the reduction of commercial fisheries, contract forestry, and silviculture in the regions.

On the other hand, it is fair to say that the Aboriginal communities within or adjacent to Bella Coola and Port Hardy have a much richer cultural connection to these places than do members of the settler population.25 As such, the restructuring of the corporate-resource economy appears to pose less of a challenge to narratives of place for Aboriginal leaders than for their settler counterparts. For the ‘civic’ or settler community, the resource economy is “the reason why we’re here”, and “why this place matters” in the regional, provincial, and global economies. From the limited number of formal interviews that I conducted with Aboriginal leadership in the case communities (two interviews in each of Bella Coola and Port Hardy), the restructuring of the

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25 An exception may be the Gwa'Sala-'Nakwaxda'xw Band, which is adjacent to Port Hardy. This group was relocated from the Central Coast region of British Columbia to its current location by the Government of Canada in the early 1950s.
corporate-resource economy is a significant concern for First Nation groups, but not to a degree that challenges identity of place. Therefore, the discussion and analysis in this chapter is primarily focussed on understandings and imaginations of spatial change among non-Aboriginal community leaders and groups. While Aboriginal imaginations of place (both in terms of intrinsic value and in relation to ‘global’ forces and markets) are very important to the economic futures of Port Hardy and Bella Coola, these are beyond the scope of this work.

*Fordism in Port Hardy and Bella Coola*

The community of Port Hardy was a minor settlement at the tip of northern Vancouver Island until the Second World War. While nearby Fort Rupert has a long history in this young province, being the site of a large reserve of the Kwak’utl First Nation and a major Hudson’s Bay Company fort and trading post (both established in the 1840s), the first permanent non-Aboriginal settlement on Hardy Bay was not established until 1904 (Lewis 1978). Early growth in the community was slow, and in 1925, the population of Port Hardy stood at only seventy-five people. However, the installation of a Government Wharf in that year, along with new road construction to link Port Hardy with the communities of Fort Rupert and Coal Harbour prompted the growth of Port Hardy as a supply and shipping port. With the advent of the Second World War and consequent fears of Japanese invasion, the Canadian government constructed air bases at

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26 The small number of interviews with First Nation leaders is primarily due to circumstances surrounding this research. As previously mentioned, this research is affiliated with The Coastal Communities Project (CCP), which is a collaborative research effort that is partnered with several communities on the British Columbian coast, including Port Hardy and Bella Coola, as well as the Nuxalk Nation, Gwa’Salal-Nakwaxda’xw Band, and Kwak’utl Band. However, the present research was conducted at an early stage in the CCP and prior to the formal granting of permission from the elected leadership of these groups to directly contact and interview Band members. Given my affiliation with the CCP, the decision was made to limit interviewing of Band members and officials for the purposes of this thesis.
Coal Harbour, Hoberg and Fort Rupert. The latter was turned over to civilian control in 1946 and continues as a full service airport administered by NAV Canada.

Fordist development came to Port Hardy with the 1969 establishment of a Utah Construction and Mining Company copper mine ten miles south of the community at Rupert Inlet. While the mine site is geographically much closer to the settlement at Coal Harbour, the company elected to construct new housing for its five hundred employees at Port Hardy (Lewis 1978: 35). Forestry had also been given a substantial boost by the Second World War, as demand for timber for the war effort attracted the interest of major forestry firms (Vivian 1991). Postwar, the newly established tree farm license in the region was acquired by the Koerner family’s Alaska Pine Company (later Rayonier Canada), which used local timber to supply the Port Alice pulpmill as well as sawmills on the Fraser River. In 1980, these rights were purchased by Doman Industries under its subsidiary Western Forest Products, which operated the Port Alice mill until May of 2004 (the mill would close later that year and remains out of service at time of writing).27

With respect to fisheries, a cannery opened in Port Hardy in 1966 as a ‘buyer processor’, meaning that it did not itself hold fishing licenses but rather bid on independent fishers’ catch. The plant had over 200 employees engaged in processing and canning, with an administrative and marketing office located in Vancouver. As such, it followed the standard Fordist model of regional production under centralized control. This strategy continued through the sale of the plant to Maple Leaf Foods in 1988, which closed operations in 1999. However, the plant was subsequently purchased by a group of

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27 As of January 2006, negotiations continue between the provincial government and Neucel Specialty Cellulose Inc. regarding purchase of the mill. Neucel insists that liability for environmental clean-up of the site be assigned to the province prior to purchase. This follows a rancorous negotiation between the company and the Communications, Energy and Paperworkers Union of Canada regarding wage concessions (Kennedy 2006).
employees and local investors and re-named Keltic Seafoods. Disavowing the Fordist model, Keltic has now positioned itself as a “custom processor”, whereby “the company simply processes fish for a fee, leaving the marketing, and the risk, to fishermen and [fish] brokers” (Ecotrust Canada n.d.). The consequences of this particular shift on the spatial economy of the region will be elaborated in section 4.2 below.

The Fordist experience in Bella Coola has been somewhat different. Unlike Port Hardy, Bella Coola has never been a centre for Fordist manufacture or processing. However, the community has been deeply enveloped in the Fordist economy since the Second World War. This is most evident in forestry, where during the war, the community became home to a large forestry workforce dedicated to harvesting the area. In the postwar period, the area was reclassified in order to supply pulpmills and sawmills on Vancouver Island, as well as the more proximate pulpmill at Ocean Falls (McKim 2003a: 18). The Bella Coola labour force was directly employed by tenure-holders, and was deployed mostly in the “inner coast” region adjacent to the community, while “outer coast” areas to the west and south were typically logged by contract or non-resident workforces. However, the inner coast region held the highest concentration of valued fir, spruce, and cedar growth, and in the 1970s the annual allowable cut for the entire region was mostly concentrated in this area (McKim 2003b: 2). Harvesting activities were so intense at the peak of Fordist production that in 1972, 65 percent of the Valley’s workforce drew incomes directly from forestry harvesting or processing (McKim 2003b: 13).

Indeed, the advent of Fordism in some ways explains the decline of the region as a processing centre. From 1905 to 1950, several canneries operated on the coastline adjacent to Bella Coola. However, the postwar emergence of new technologies for fresh and frozen product prompted a reorganization of production into settlements more proximate to end markets (Newell 1993: 126-8).
Importantly, during the Fordist period, both communities also became centres for public and private regional administration. For instance, Bella Coola was home to both a Ministry of Forests office (that at one time housed 75 employees) and a regional office of International Forest Products (Interfor) with 40 employees as late as the early 1990s. The situation in Port Hardy differed slightly, as the service-centre status of the community has traditionally been shared with the nearby Town of Port McNeill. While Port McNeill has been home to regional forestry administration, including a Ministry of Forests office and field offices for Western Forest Products and MacMillan Bloedel (later Weyerhauser, whose assets have been acquired by Brascan in early 2005), Port Hardy has housed major government services, including the BC Ferries terminal, federal airport, and Coast Guard services.

*Changes in the status and ‘positionality’ of place*

The status of these places as regional centres for labour, services, and administration has changed over the past decade. Bella Coola has lost its Interfor operations office, as well as a Ministry of Forests office and an office of BC Human Resources. Port Hardy suffered the abandonment by Maple Leaf Foods of its major fish processing plant, the withdrawal of an Interfor field office, and the closure of a BC Human Resources office. At a more regional scale, the North Island has also lost the Port Alice pulpmill (closed indefinitely in 2004), and the forestry offices and operations (dryland log sorts) of Interfor and Western Forest Products located at Port McNeill.
In each community, there is a sense among community and business leadership that the place has suffered a demotion in status within the region and has given up its role and function as a ‘centre’ to other, often very distant localities. In the case of Port Hardy,

The general wisdom [in town] is that the Island has gone tilted downwards. The influence and draw of Campbell River, [and] Comox and Nanaimo even, has really grown. It’s [Campbell River] a growth centre. But it’s still funny to hear people [when I’m away from the community] when they talk about the North Island and you find out that they’re talking about Campbell River. They think that’s the North Island? I guess [the Island] just ends in the middle. I don’t even think they know we’re up here.

(Male, Business leader, Interview reference # 142)

Campbell River has really grown as a service centre. [It] has replaced all the North Island communities as the service centre – even Nanaimo to a certain extent [because it can] provide more specialty items and services than before. I don’t know how successful Port Hardy can be even in keeping what’s still here. ... Local businesses here have to service locals and local needs, they can’t compete with places that are service centres.

(Male, Business leader, Interview reference # 172)

Importantly, these “down-Island” communities mentioned in the previous quotations are not proximate to Port Hardy. The nearest is Campbell River, which is 235 kilometres distant by road. Courtenay/Comox (293 kilometres) and Nanaimo (391 kilometres) are further still. However, these are now seen to be serious rivals that threaten to “replace all the North Island communities”. What the above quotations suggest is that local understandings of ‘the region’ have been markedly expanded over recent years. This ‘extension’ of the region has multiple dimensions and causes. Among these is the fact that the larger communities to the south have recently become home to ‘big box’ retailers, including discount grocery and department stores. This is an attraction for consumers in Port Hardy. Indeed, available data clearly show that strong
everyday linkages exist between Port Hardy and these distant municipalities. For instance, the *Resilient Communities Project* at The University of British Columbia (Ralph Matthews, Principal Investigator) recently surveyed 26 coastal communities (including Bella Coola and Port Hardy) using random stratified sampling to inquire into issues of social capital, networks, trust and civic engagement (cf. Matthews 2004). *Table 4.1* gives the responses to an open-ended question asking participants to list the communities “that you visit most often”, along with the most-cited reason for travel. As is immediately evident, the consumer links between Port Hardy and these communities are extensive.

*Table 4.1*

**Communities “Most Often Visited” by Port Hardy Residents, and Most-Cited Reason for Travel**

<table>
<thead>
<tr>
<th>Community visited</th>
<th>Responses (N=92)</th>
<th>Most cited reason for travel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell River</td>
<td>57</td>
<td>Shopping</td>
</tr>
<tr>
<td>Nanaimo</td>
<td>39</td>
<td>Shopping</td>
</tr>
<tr>
<td>Port McNeill</td>
<td>38</td>
<td>Work</td>
</tr>
<tr>
<td>Courtenay/Comox</td>
<td>30</td>
<td>Shopping/Health care</td>
</tr>
</tbody>
</table>

However, I argue that the most significant contributor to the sense that Port Hardy is increasingly under the regional sway of distant neighbours is its “repositioning” within (and to a certain degree, outside of) the corporate-industrial resource economy of British Columbia. Sheppard (2002) has advanced the term “positionality” to address the ‘location’ of specific places within ‘global network economies’ of production and exchange. Sheppard argues that in most theories of economic globalization, “much attention is paid to the networks a place participates in, but much less to how it is
positioned within those networks” (2002: 317). In response, he proposes the term positionality “to describe how different entities are positioned with respect to one another in space/time ... [with particular attention to] the internal spatial structures and power hierarchies that exist within global networks” (Sheppard 2002: 318).

In other words, Port Hardy is enduring a ‘repositioning’ in both the spatial and hierarchical structures that characterize global corporate-industrial resource production. Importantly, I do not mean to imply that Port Hardy or its citizens have lost formerly held power or influence over resource production in the region. However, under spatial Fordism, Port Hardy was differently positioned in the spatial and hierarchical structures that exploited resources in the region. Specifically, it (and to a lesser degree, Port McNeill), served as the residential home for the regional workforce involved in fisheries, forestry and mining, and for the ‘on-site’ administration of those activities. In other words, it was designated an ‘important place’ within the region and in relation to centralized administrative centres such as Vancouver, Victoria, Seattle, and Toronto. Thus, the change in local understandings of ‘the region’ and the sudden rivalry of distant centres is often framed in interviews in terms of a “repositioning” of Port Hardy within the regional-global hierarchy of production.

We used to be an administrative centre for forestry, but Interfor, TimberWest, and Western Forest Products have all moved their [log] sorts and offices down-Island. Administration is now out of Campbell River. They fly their workforces out of Campbell River. The only ones doing local hiring are the contractors, like Koprino Logging and GMG. They have contracts with the major firms. But the only reason they hire and work locally is because we don’t have a major operator here. If they were here, they’d now be hiring out of Campbell River.

(Female, Community leader in local government, Interview reference #62)
It all started when the mine moved to a ‘four-by-four’ shift \[\text{author’s note: a ‘four-by-four’ refers to a work arrangement of four days working a twelve-hour shift followed by four days off}.\] Recently, that’s been approved as a standard for forestry, even for the local contractors. The unions aren’t happy. It’s a community-killer. … If people are not happy living on the North Island, then they’ll live in Comox or Campbell River and drive up here for a four-by-four. That’s what you saw with mining, and we’ll see it with forestry too.

(Male, Community leader in local government, Interview reference #12)

Thus, the change in ‘place status’ that is perceived by community and business leaders in Port Hardy is intertwined with a fear of eclipse and displacement by distant rivals with respect to the \textit{regional and local economy}, at least in terms of resource work and production. Both the geographic and hierarchical positionality of Port Hardy is in doubt within an increasingly flexible and liberalized corporate-industrial spatial economy.

\begin{table}[h]
\centering
\begin{tabular}{|l|c|l|}
\hline
Community visited & Responses (N=217)\textsuperscript{29} & Most cited reason for travel \\
\hline
Williams Lake & 166 & Shopping \\
Vancouver & 122 & Visiting friends or family/Health care \\
Kamloops & 44 & Shopping/Visiting friends or family \\
\hline
\end{tabular}
\caption{Communities “Most Often Visited” by Bella Coola Residents, And Most-Cited Reason for Travel}
\end{table}

The understanding of spatial change amongst community and business leaders in Bella Coola is markedly similar. In this case, however, there is less consensus regarding

\textsuperscript{29} The N of 217 is markedly higher than Port Hardy’s 92, as Bella Coola was purposely oversampled in the \textit{Resilient Communities Project} survey.
the ‘extension’ of regional boundaries, with some pointing to the supplanting of the
centre-status of the community by Williams Lake (456 kilometres by road to the east),
Bella Bella (an island community 48 kilometres west by boat), northern Vancouver
Island communities including Port Hardy and Port McNeill, and even the city of
Vancouver (1100 kilometres distant by road).

Returning to the Resilient Communities Project data, we can see that the primary
connections here in terms of travel, services and consumption are with Williams Lake,
Vancouver, and Kamloops (these are outlined in Table 4.2). But despite the multi-
directionality of these pulls, the sense of threat and frustration at the spatial and
hierarchical changes involved in ‘repositioning’ are as palpable in this case as in Port
Hardy. As is seen in the following quotations, this is an emotional issue in the
community.

Historically, Bella Coola was the centre for traffic with government and industry.
Now it’s [Vancouver] Island and Bella Bella. They just skip along past us and up
along the coast. ... [Moreover,] people are going out more to buy. It might not
save them money with the hotel and everything, but people want to do it anyways.
... An orthodontist used to come in and blitz the community. Now, we have to go
to Williams Lake and see so many people from Bella Coola sitting in that office.
It’s a silly little thing, but it’s important. ... What we need is a major employer [to
come back] here. Everything is moving to [Vancouver] Island. I’m really starting
to wonder: why is this happening? Is there some incentive? We’re talking
companies and government.

(Female, Business owner, spoken at a community meeting regarding economic
development, October 24, 2004)

Up until five years ago, no one [in services] even thought of marketing. It wasn’t
an issue, because everybody was busy and [the hotels were] full. Now, this
wasn’t tourism. ... The hotels, their clientele were workcrews and government
personnel – Ministry workers and other brass. This is all gone now. Bella Coola
was the centre of the central coast. Now the service centres are Williams Lake,
Vancouver, and the North Island. ... We’re a bit on our own now, and some people feel really lost.

(Female, Community leader and business owner, Interview reference #131)

4.2 From Region-Based to Network-Based Resource Production

In both Bella Coola and Port Hardy, there is a sense of status lost. It is a common sentiment that ‘this used to be an important place’ in the regional economy, both as a centre for production and for services and consumption, but that this role has been lost to other, distant communities and cities. Using Sheppard’s (2002) language, there is a sense that the communities have suffered a ‘repositioning’ within the structures and systems of corporate-industrial resource production, as well as those of government service and administration. As implied by Sheppard, this repositioning is both spatial and hierarchical: there is a sense that the boundaries of the region have been extended at the same time that the status of the community has been demoted within it. Importantly, this repositioning is perceived as having consequences for both the local economy (for instance, where non-local labour forces perform local work), and for the relationship of the community to the region (as with the loss of capacities to administer ‘North Island’ or ‘Central Coast’ production and services).

In this section, I argue that the experience of repositioning in Bella Coola and Port Hardy is directly linked to changes in the political economy and spatial organization of resource production. These communities are gripped in a transition from a region-based system of resource production to one that is increasingly organized according to network principles. By region-based, I do not mean to imply that there was ever much room for regional autonomy in the spatial Fordist/Keynesian model of development. However,
under Fordism both Bella Coola and Port Hardy could clearly be termed key ‘sites’ in the resource economy, being (variously) home to labour, administrative, and processing capacities that were deployed regionally.

The move to achieve operational and spatial flexibility in British Columbia’s resource sectors is breaking down this region-based model for ‘global’ production (see the discussion in Chapter 3). While resource production continues in the spaces surrounding Bella Coola and Port Hardy, this is now organized in a manner that can be termed ‘network-based’. As we will see, the emerging network-based resource economy is an archetypal global network economy, in that it is structured to facilitate the rapid movement and flow of capital and commodities to and across key hubs of the global economy. But under a network-based system, the communities of Bella Coola and Port Hardy are no longer clearly identifiable as ‘sites’ of the resource economy. While these used to be centres of region-based resource economies, their role in network-based arrangements is tenuous. The meaning of this transition is poignantly illustrated in the following words of a community leader in Port Hardy.

We have a yearly festival here called ‘Filomi Days’. [Interviewer: What’s that?] It’s for fishing, logging, and mining. Fi-lo-mi. Anyways, when the [Island Copper] mine closed, some people just started calling it ‘Filo Days’. And then it was just ‘Lo Days’, which is kind of appropriate [laughs]. And now some people think it should just be ‘Days’ and to hell with it all.

(Female, Community leader, Interview reference #32)

In the following, I will outline some of the structural changes in the local economies of Port Hardy and Bella Coola, as well as the relationship of the communities to the broader region, that are associated with the rise of a more network-intensive system of resource production. Throughout the discussion, I will argue that the most powerful
determinants of community fortunes within this network system are contract-based arrangements. In the case of Port Hardy, contract-based arrangements are moving the community away from status as a regional site in the resource economy towards a new function as a ‘way-station’ for further-reaching (global) networks that extend well beyond the traditional boundaries of the North Island region. In contrast, Bella Coola is presently challenged by a paucity of contract-based arrangements, and as such risks complete estrangement from the increasingly network-based system of resource production.

*Port Hardy: from regional site to network way-station*

The local economy of Port Hardy has been severely impacted by the withdrawal of major resource firms. According to Hayter (2000: 288), the retrenchment of long-standing corporate dominance in resource communities is typically characterized by a shift within the local economy from a high degree of organization and structure (deriving from the close relationship between government, firm, and organized labour – cf. Marchak 1983), to a state of significant “unruliness”. This unruliness is understood to follow from the rise of entrepreneurship that had been suppressed at the local level by corporate dominance over local resources and economies (cf. Sjoholt 1987; Hayter 2000: 188).

But in the case of Port Hardy, unruliness in the local economy has been tempered by the recent replacement of direct corporate rule with contract-based arrangements. To be clear, ‘contracting out’ has always been a significant characteristic of resource work in the province, particularly in forestry. For instance, in 1994, 48 percent of logging on the BC coast was performed by smaller companies under contract by major tenure-holders.
(Price Waterhouse 1995: 15). However, the outright withdrawal of major firms from the region has greatly expanded contract relationships, most notably to individuals and small owner-operators. In the words of a long-time Port Hardy resident involved in a state-sponsored business funding and support agency,

Small business has been growing exponentially on the North Island. Since the big firms pulled out, it's what people need to do. [But that growth] is a bit deceptive. In the forestry sector, there are so many new small contractors because Interfor started to lay off employees and then re-hire them as contractors. Weyerhauser closed its dryland sort at Port McNeill, and now they'll truck all wood to Campbell River or all points south. So we're seeing them looking to contract out all the trucking - if they can find operators.

... And that's the same with seafoods too. There's a lot of seafood trucking on the highway, leaving Port Hardy even though we've got the capacity right here to do things with it. What can we do? The [fishing] licenses are now bought and owned out of Vancouver. The processing happens in Vancouver, and it must happen right away or it spoils.

(Female, Affiliated with funding agency, Interview reference #72)

Contract-based arrangements are a staple of flexible resource production, as they allow major firms to download costs and risks of retaining equipment and a labour force, granting them the power to use these on an as-needed basis (Hayter 2000: 190). However, the extension of contract-based arrangements also has consequences for the spatial casting of production, and thus for the 'positionality' of communities within resource economies. This can be readily seen in the following statements regarding the transformation of the relationship between Port Hardy and local fisheries, remembering that Sheppard's (2002) notion of positionality refers to both the spatial and hierarchical structures of production networks.

In the 1980s and '90s, the fisheries here used to be insane. ... Our facilities allowed the entire fleet to fish out of here, [and they overlapped] for 4 weeks. The
summer was crazy, wild. Guys would sell to cash buyers and then bring [the money] back to the town. They’d literally walk around with cash in garbage bags.

(Male, Community leader, Interview reference #12)

When the fisheries were more competitive, the general approach [for buyers] was to offer more money than the next guy, then process it and sell it. Now, it’s more of a business deal made in advance than a deal done on the dock because quotas [for groundfish] limit what you or anyone else can take. It’s not a scramble – it’s a plan.

So, there are more dock sales by some guys. Very small operators might go in together and try to sell to market ... [but] most is on contract. ... So when we had that big salmon fleet here – for 3 weeks we would have 1000 boats here – the cash economy was huge. People would spend like crazy for one month because cash is so easy. But that won’t ever happen again. ...

What is different now is the [quota] fisheries. In the past, most groundfish and salmon didn’t [get processed] in Port Hardy. [Some did,] as much as the [local processors] could buy. But most went south. So Port Hardy was the point of sale for Vancouver. Boats would fish, come in, sell, and then the fish is boated to Vancouver. ...

The big change is with the rise of trucking [along with] this contract-buying. Rather than putting the fish on boats, it’s trucked. So Port Hardy is now the delivery-point [rather than the point of sale]. ... Buyers like trucking because they can cut it [in Vancouver] one day earlier, which equals three days of shelf life in a retail store. ... So from our point of view, the value-added [in Port Hardy] is not the processing [anymore], it’s the handling and trucking.

(Male, Community leader, Involved in fisheries, Interview reference #162)

In this case, two relatively minor changes in the structure of commodity chains have resulted in the dramatic repositioning of Port Hardy within a regional-global production network. These changes, namely the rise of contract-buying over ‘dock sales’ for quota-controlled species, and the rise of trucking as a means of movement within the commodity chain, are directly linked. First, however, some background explanation. Quota fisheries are based on “individual fishing quotas” (IFQs). These were
implemented in the late 1990s for groundfish species (including halibut and sablefish) as private, fully transferable portions of total allowable catches. According to Ecotrust Canada, the implementation of transferable quotas has led to a system that it terms "fishing for millionaires", whereby quotas are often purchased by investors outside of the community and then 'leased back' to local fishers for a fee of between 70 and 80 percent of the value of landed catch (Ecotrust Canada 2004: 13).

The IFQ and lease-back system have led to a significant change in the 'geography of negotiation' over value and purchasing. Rather than individual owner-operators negotiating dockside with buyers and brokers, exchanges are more "corporately" negotiated beforehand (cf. Ecotrust Canada 2004: 24). As mentioned in the above quotation, this is a more "planned" system, in part because the quota system allows for a degree of certainty in volumes. In this sense, the recent predominance of truck transportation makes commercial sense, as contract-buying means that buyers can dispatch or hire trucks as-needed and in congruence with incoming volumes for rapid transportation to centralized processors.

These shifts in how the 'global network economy' relates to communities has a tremendous influence on local spaces. Leslie and Reimer (1999) argue that even slight changes in the organization of commodity chains can radically alter "the production of space" in local settings. The concept is borrowed from Lefebvre's (1991 [1978]: 32) seminal argument that "every mode of production... produces a space, its own space" at multiple scales. So in the case of Port Hardy, the overall or 'macro' structure of the

30 Groundfish fisheries in British Columbia are now substantially larger in volume and value than salmon fisheries. In 2001, salmon fisheries landed 22,900 tonnes of salmon valued at $33 million dollars, while in the same year the landed catch for groundfish was 107,500 tonnes valued at $124 million (Vann Struth Consulting 2003: 128).
commodity chain appears to have changed only slightly. Fish is still caught regionally, landed at Port Hardy, and transported in large part to production facilities in Vancouver. However, the local processes involved in completing these movements are radically altered. In other words, the relationships within the commodity chain have shifted dramatically, particularly around the notion of leasing and contract-buying, so that the local space of production – the dockside cash economy in which local processors were full participants – has been diminished and transformed.

Under these conditions, Port Hardy is a different kind of ‘site’ within the global fisheries economy. As stated in the interview quoted earlier, it is now a distribution point rather than a point of sale. But what does this mean for the positionality of Port Hardy within this particular commodity chain? In both spatial and hierarchical terms, this shift is consistent with the sense of status-loss discussed previously. The dockside economy is an ‘embedded’ economy in the truest sense, as social and economic relationships are intensely performed in on-site negotiations over value and labour (cf. Lauer 2005). Thus, not only did the dockside economy involve visible displays of wealth (“garbage bags full of cash”), the convergence on the town of key actors within this economy (those with the authority to sell, buy, and broker) confirmed that ‘this place matters’ within both the region and the broader economic space. Under current leasing and contract-buying arrangements, the geography of Port Hardy still matters, as it serves as a key site for the sea-to-land transfer of catch (this will become clearer in the following discussion of Bella Coola). However, to a large degree the social details of the place are less relevant. The social relationships, personalities, and word-of-mouth agreements that anchor the dockside economy are demoted or negated by the new structure of the local-global
relationship. The movement of negotiation outside of the local space involves a repositioning of the community from a regional site to a point of passage (a network-waystation). This means that the place has a much more limited 'social' role in the movement of regional wealth into the global economy.

*Bella Coola: outside the resource network*

The experience of 'repositioning' with respect to resource production is very different in the Bella Coola Valley from that of Port Hardy. As previously discussed, the business and community leadership of both localities express frustration at a perceived demotion in the importance of the communities to regional production, consumption, administration and service. But in the case of Bella Coola, the loss of status as a region-centre has *not* been accompanied by a re-integration into a more network-based resource economy. While the participation of Port Hardy in the global resource economy has been re-shaped by the extension of contract-arrangements, these are nearly absent in Bella Coola in any of the major resource sectors.

There are several reasons for this absence. First, as discussed previously there has been a shift in the organization of commodity chains in commercial fisheries, particularly surrounding those governed by transferable quotas. Within these fisheries, contract arrangements are employed to rapidly and predictably feed centralized processing facilities. However, Bella Coola is unable to participate in this network for lack of a resident federally-accredited validator for groundfish landings, and therefore cannot serve as a port for this important fishery. In contrast to Port Hardy, the salmon fishery, with its very short season, is the main activity at the local dock. According to provincial
statistics, employment in fisheries in the Central Coast Regional District (CCRD) in which Bella Coola is located dropped by two-thirds from 1996 to 2001 (from 146 to 50 residents employed – British Columbia 2003f: 33). Conditions are difficult for those that remain in the industry. This is revealed in the words of a local processor committed to supporting the local fleet:

The fleet size [for salmon] has been really reduced here. They [the federal Department of Fisheries and Oceans] did have to do that. But that’s really hurt the guys that are still in it, in a sense. [After] you get the fleet down to a certain size, then who cares about things like [making and providing] ice? Why bother maintaining those facilities? …

On the one hand, we’re always worrying that a larger operator might come in here and compete [with us]. But we need to have something [more] for the fishers here. … It’s really tough for them. … Most are really [dependent] on cash buyers. Buyers will offer them money for nets and equipment, and then indenture them. That’s the level of dependence right now. … We do our best with our business to help local guys, … but what they really need is a bigger business here to support them.

(Male, Owner of firm, Interview reference #151)

In this respect, commercial fisheries in Bella Coola are in a quandary – too large for local processors to support but too small to achieve critical mass for status as a healthy regional participant in the salmon economy. Thus, the commercial fishery in Bella Coola is in a sense the inverted image of that in Port Hardy. Here, most of the resident fleet has ownership of the licenses (being mostly gillnet salmon licenses – McKim 2003a: 66). However, this ownership control means very little without the capacity to plug directly into broader commodity networks. In this case, a reliance on cash buyers for a low-value catch (most salmon landed at Bella Coola is low-value pink and chum salmon – McKim 2003a: 65) is locally decried as a relationship of dependency.
(as “indenturing” in the above quotation). Under these conditions, some local fishers are hoping to participate more directly in the broader (global) market for commodities.

We actually have a very good transportation network here compared to a lot of places on the coast. ... I mean, the aquaculture operations at Klemtu have trucked through here, [if and when] the Nuxalk [First Nation] will let them. ... Copper River in Alaska flies salmon directly to Seattle just to get them there first. They have the brand that Bill Gates eats, and that’s [worth] a lot. ... We land good, wild fish here – maybe we need to do something like that.

(Male, Commercial fisher, spoken at a community meeting regarding fisheries development, October 20, 2004)

The forestry experience in Bella Coola also contrasts with that in Port Hardy, as contract-arrangements are not predominant in the region. As discussed previously, the inner coast region of the Mid Coast Forest District (i.e., the Bella Coola region) was heavily logged during the Fordist period by a resident labour force, while outer areas were typically harvested by a mix of contractors and directly employed but non-resident labour. At the zenith of Fordist mass production in the 1970s, massive volumes of timber were being cut from the central coast. Moreover, as mentioned in Chapter 3, the early government response to the emerging crisis in mass production in the early 1980s was to ramp up the annual allowable cut and allow more “high grading”, where firms harvest only the most valued species. These policies devastated the timber profile in the region. Figure 4.1 illustrates the effects of this shortsightedness, giving the ratio of standing species in the Mid Coast Forest District in 1974, 1991, and 2001. The shift in the timber profile is clear as high-value species such as fir and balsam were relentlessly harvested over this time.

The reckless harvest of the region sparked concern in the community, as well as within the Ministry of Forests. In 1990 a committee of Ministry officials and community
leadership was struck to formulate a Bella Coola Local Resource Use Plan (LRUP) with the intention of lowering the allowable annual cut (British Columbia 1996). While the LRUP recommended safeguards for local employment, the District Manager of the Mid Coast Forest District did not endorse those provisions. Moreover, the LRUP agreement had no legal weight following the implementation of the *Forest Practices Code* by the provincial Ministry of Forests in 1995 (McKim 2003b: 9).

**Figure 4.1**

*Ratio of Standing Timber in the Mid Coast Forest District: 1974, 1991, 2001*

Consequently, from 1997 to 2000, Interfor exceeded the LRUP-determined annual allowable cut by a cumulative total of 662,689 cubic metres. Moreover, while Interfor harvested an average of 381,000 cubic metres annually over those four years, only 80,000...
cubic metres per annum were allocated to the resident workforce of the Bella Coola Valley (McKim 2003b: 9).

These problems were compounded in the late 1990s by the involvement of major environmental groups such as Greenpeace in vociferous conservationist campaigns. Such groups, alongside certain factions of the Nuxalk First Nation, established blockades at several worksites and access roads on the outer coast, causing significant losses to contractors (IWA 2003a). The provincial government responded to these pressures by establishing the Central Coast Land and Resource Management Plan (CCLRMP) process, which was to lead to a negotiated settlement among industry, community, aboriginal groups, and environmental organizations. However, in 2001, Interfor announced the cessation of major harvesting operations in the Mid Coast Forest District, including the final termination of its resident workforce. Interfor CEO Duncan Davies directly blamed the CCLRMP process for the withdrawal. Davies is quoted as saying,

For Interfor, the impacts of government decisions in this region mean a loss of operating areas, reduced company and contract logging activity and a reduced supply of logs for our sawmills. We believe our timber harvesting rights in the area will be reduced by 600,000 cubic metres. ... We have been outspoken in our support for planning processes that are open and inclusive of all parties. We have accepted the results of the government’s decision on the Central Coast and we are taking steps to restructure our operations so we can move forward on an economic basis (Canada Newswire 2001).

This series of events has devastated the community. Whereas 63 percent of Bella Coola’s workforce drew incomes from forest harvesting activities in 1972, this had been reduced to 1 percent in 2001 (see Figure 4.2). In effect, this relegates Bella Coola to status as a ‘place without purpose’ in the resource economy.

Almost all the cutting is now being done by [crews] from [Vancouver] Island and the Lower Mainland. I only know of a half dozen guys doing falling work
anymore. That’s it. For these crews, home is the South. … It’s real frustrating — they’re still logging out there. … The hotel’s full of [fallers] right now, and they’re working just 20 miles away. But how do we get a local guy on that crew? We can’t — they just don’t seem to want us involved anymore.

(Male, Involved in forestry, spoken at a community meeting regarding forestry development, October 20, 2004)

![Figure 4.2](image)

**Figure 4.2**

*Percentage of the Workforce in the Bella Coola Drawing Income from Forest Harvesting Activities: 1972, 1994, 2000, 2001*

Therefore, the ‘repositioning’ of Bella Coola with respect to resource production is largely an experience of exclusion. While Port Hardy and the North Vancouver Island region are experiencing a repositioning from status as a centre in region-based resource production to that of a way-station in a ‘global network economy’, the spatial and
hierarchical reorientation of Bella Coola locates this community outside of that economy. The contract arrangements that anchor the transition in Port Hardy are weak or entirely absent in the Bella Coola region. So while the resource wealth of the Central Coast region continues to be harvested, this is achieved with minimal reference to the local economy. Bella Coola stands outside of the global network arrangements that move adjacent wealth to market.

I close this discussion by returning to the question of what kind of space this arrangement is producing at the local level (cf. Lefebvre 1991). In the case of Port Hardy, I argued that the incorporation of the place into a more network-based form of resource economy has a strong impact on local economic practices, and that the transition from ‘site to way-station’ removes many of the visible signs that ‘this place matters’ in the larger resource economy. For Bella Coola, the rise to prominence of flexible and network-based resource production has had an even stronger effect on local economic organization. Essentially, this method of production has produced a highly fragmented local economic space that is splintered in terms of gender and occupation. In the words of one community leader,

Women are working in town. Men aren’t. That’s the big change from before. Women work in services or the public service – clerical, services, health and education. [Men] work wherever, or wherever they can. [Like at] West Chilcotin Forest Products up at Anahim Lake. They commute on weekends. The men commute to Williams Lake, to Alberta even! [Interviewer: Why that far?] To construction companies and forestry operations, mostly. That’s where the work is.

(Male, Community leader, Interview reference #11)

Simply put, the repositioning of Bella Coola within regional and global resource production has severely diminished the local economy. Despite the continued harvesting
of the vast resource wealth surrounding the community, local resource labour has been forced into motion – into an extra-regional labour market that is based in distant places and spaces. For many residents of the region, this is understood as a devastating blow to the status of the community, as Bella Coola is seen to be a place without purpose in the wider economy, and consequently unable to sustain a viable local economy.

The only difference between us and the [dead] outports of Newfoundland are the one thousand Nuxalk down the Valley. They are the only cash flow coming into this place. Without that federal money, we would literally have nothing doing here.

(Male, Community leader, Interview reference #61)

4.3 ‘Place-Making’: Re-Imagining Local and Global Spaces

The transitions discussed above have had a strong impact on the local economies of Port Hardy and Bella Coola. As we have seen, they are changing the employment and occupational structures of these communities, and are restructuring their relationships with other actors, both public and private, regional and global. But at the same time, it is important to recognize that these communities are not passive victims of these shifts in spatial economies, but are actively engaged in the imagination and construction of new relationships between local and global. These activities are not inconsequential. As discussed in Chapter 3, the shift to network forms of state intervention aimed at mobilizing local social and market entrepreneurialism is creating new, albeit limited, means for significant community-level action in the global economy.

In this section, I discuss the ‘spatial imaginations’ that have emerged among community and business leadership in Bella Coola and Port Hardy, particularly in
response to the repositioning of these places within regional and global economies (cf. Sheppard 2002). Spatial imaginations are a cornerstone of experiences of globalization, particularly among marginalized or disadvantaged groups (Burawoy 2000: 31). Gille and O'Riain (2002: 283) argue that in many cases, local people and/or community groups will respond to controversial events and processes (such as economic restructuring or environmental crises) by constructing alternative visions of the value of local spaces within larger global systems and structures. These authors identify the construction of such imaginations as exercises in “place-making”, or the claiming of an identity for the locality that may conflict with its present political or economic status. “The social actors [involved] in constructing global imaginations … are explicitly engaged in place-making, contesting [dominant] definitions of local, national, and global scales and the relations among them” (Gille and O’Riain 2002: 279).

Bella Coola and Port Hardy are home to plural and sometimes contradictory spatial imaginations. Previously in this chapter, we encountered the widespread frustration among leaders and community members regarding the perceived loss of status of each community within their respective regional economies. However, as we will see, the responses to this shift are varied, although common threads are evident across different imaginations and actions. Essentially, I argue that the shock of ‘repositioning’ is engendering two general forms of place-making imagination in the case communities. The first, and more conservative (in the traditional sense of the term), envisions the establishment of ‘contained spaces’ – spaces of intense locality that are separate or somehow removed from the (global) market economy. This imagination is more prominent among community leadership in Bella Coola. The second form of place-
making is better recognizable in Port Hardy, and envisions intensified community participation in (global) network forms of economic organization. However, I close by arguing that the most potent of these visions, in terms of effecting 'positional' change (i.e., a more powerful 'location' within the space and hierarchy of economic networks), are those that aim to intervene or stand between market and community, locality and the extra-local.

_Contained Spaces: alternatives to the market economy_

As we have seen in Chapter 3 and in the present discussion, the forces of globalization and neoliberalism are having a strong impact on the spatial economies of the case communities. While much of the discussion thus far has concerned what has been lost, dismantled, or discarded with the intensification of these forces, it is important to recognize that both globalization and neoliberalism proceed on contested terrain (cf. Mittelman 2000: 165; Peck and Tickell 2002). Indeed, much has been written about the complex and contradictory 'unrolling' of these forces, as they are variously and often simultaneously adapted, accepted, and resisted in local settings (cf. Hall 1989a; Kearney 1995; Gills 2000; Burawoy 2000). However, it is not always clear what constitutes a local act of resistance, acquiescence, or adaptation (Brenner and Theodore 2002: 342). In the following discussion of place-making, I resist the temptation to label the imagination and construction of 'contained spaces' as direct acts of resistance against the market economy or against the repositioning of communities within corporate resource production. Nevertheless, the establishment of non-market or quasi-market spaces are highly significant to this discussion of community-level understandings of spatial
Restructuring, as this research suggests that such initiatives are often framed counter to the tendencies of firm and state.

Foremost, the imagination of contained spaces involves an affirmation of locality. Against the sense of status lost due to ‘repositioning’ within the global network economy for resource production, some community leaders and groups seek to construct alternative spaces that function outside the market or global network spaces. To be clear, informal economies and exchange have always been a significant component of rural economic life (cf. Felt and Sinclair 1992; Apedaile 2004). The novelty of the constructions to be discussed here, however, is that they are organized and explicitly pursued as development strategies – as means of ‘working on’ the local economy and/or meeting local needs.

A clear instance of place-making in this manner involves the recent founding of an agricultural society in Bella Coola. There are over 4,400 hectares in the CCRD classified under the provincial Agriculture Land Reserve (most of which is in the Bella Coola Valley), and, prior to the 1953 completion of Highway 20 connecting Bella Coola and Williams Lake, this land played a significant role in local food supply. However, this road link has discouraged recent agricultural development, and today commercial agriculture is virtually absent from the region (British Columbia 2000: 60).

Against this historical backdrop, the local agriculture society was founded in 2003 on a discourse of self-sufficiency. In the words of a leader of this group,

The goal is to have this place become in some way self-sufficient. We can farm anything and everything here except tropical fruit. … [Commercial agriculture] is a bit of a dream, maybe a pipe dream that’s held by some of our members – but not by many. We’re talking about people used to very high paying jobs, and the prospect of getting into rocks and soil daunts people … so even getting into specialty markets is a bit pie in the sky.

(Female, Community leader, Interview reference #21)
In this respect, the goal of the society is to create a “social economy” that is opposed or contrasted to an existing open market economy. The notion of a social economy typically refers to a ‘quasi-market space’ that in some fashion blends the principles of market behaviour with the pursuit of “social objectives” (Quarter 1992: 2). But the more precise definition employed by Amin et al. (2002) is most informative for this discussion:

The social economy ... consists of non-profit activities designed to combat social exclusion through socially useful goods sold in the market and which are not provided for by the state or the private sector (2002: vii).

The aim of the agricultural society is to create a community-directed space that stands outside the dominant market logic. Given that the market can clearly deliver all types of agricultural products into the community, the ‘social utility’ of agricultural production within the society stems from combining informal exchange with the gratification of hard work, interpersonal relationships, and community-building.

[Commercial sale] is talked about, and some consider it a goal of the Society ... [but] the ideal is to re-establish a connection between people and growing, and to offer food to community events. ... This is mostly about getting people up and out of the house. The food networks that already exist here are incredible, especially among the Nuxalk [First Nation] with their fisheries. That’s something to build on. [Anyways], we couldn’t ever sell to the local grocery stores because transport is too cheap. We can’t compete with the carrots from Cloverdale!

(Female, Community leader, Interview reference #21)

Thus, in this particular case, the imagination and establishment of a contained space – a space constructed around ideals of self-sufficiency and interdependency – is a space where ‘place matters’. In contrast with Bella Coola’s recent experience of
exclusion from network-based corporate resource production, the imagination of community-level food production and distribution envisions an economic space of intensive interaction and participation. This is a powerful form of ‘place-making’ that advances an alternative formulation of the value of place than is prominent in the current resource economy (cf. Gille and O’Riain 2002).

A second example of the construction of contained spaces in Bella Coola involves the establishment of two Internet societies. Frustrated at the lack of Internet services in the region, these groups formed in an effort to “bring it in ourselves”. Again, these groups aim to establish a social economy, having explicitly formed around the project of combating social exclusion by pursuing a local service that neither the state nor market would provide (cf. Amin et al. 2002: vii).

When we started the society in 1995, we were just hoping to bring in Internet [services] and then give it over to a company. [When this didn’t happen] we just went ahead with more independent planning. ... We had thought [at the time] we would see it remain locally owned and operated. The society model is serving us best. It seems to be working – we hire contractors, not employees, and we are all part-time volunteers.

(Male, Involved in local Internet society, Interview reference #31)

Here, the establishment of a contained space was originally envisioned only as a short-term development strategy to overcome state and market negligence. In other words, while this space was initially constructed outside of the market and strictly on local labour and expertise, the societies became even more focussed on local social economy as they expanded within this neglected space. For instance, the success of these local societies in establishing local Internet capabilities, first through analog and later digital telephone lines, has prompted further ambitions. Specifically, the Bella Coola
societies have aggressively pursued broadband capabilities for the Valley, and secured a $115,000 federal grant in early 2005 to install broadband infrastructure in the community, with the aim of expanding access across the Central Coast Region (Interview reference #51). Moreover, these groups have become active in a wider political network entitled the Broadband Community Champions Consortium ("The BC³"). This entity is currently lobbying the provincial government for further infrastructure investment, but only on condition that local community organizations take the lead in all projects, as "these champions have, through significant education and consultation campaigns, created the cross-sectoral awareness and community buy-in required for local investment in broadband [services]" (Broadband Community Champions Consortium 2003).

Open Spaces: visions of movement and flow

In contrast to the visions of contained spaces, in which local systems have been established within a quasi-market 'social economy' framework, both Port Hardy and Bella Coola are also home to strong visions of open movement and flow. These imaginations are also 'place-making' (cf. Gille and O'Riain 2002), in that they advance an identity for the community within a larger spatial framework (in this case, within global network economies). Moreover, these visions also relate to the recent difficult experiences of spatial and hierarchical 'repositioning' and consequent loss of status within the corporate resource economy. Thus, in similar fashion to the imagination and establishment of contained spaces, the construction of 'open' spaces encapsulates a desire to re-establish that 'this place matters' in the wider economy.
The imagination of movement and flow is often held in abstract visions of connection and connectivity. For instance, in many of the interviews conducted with community leadership in Bella Coola, the decline in the community is understood as a decline in connectivity with extra-local actors and markets. On the one hand, this is certainly a reasonable response to the ‘repositioning’ of the community outside of predominant resource networks. But connectivity is also understood as the basis for new forms of economic activity.

My biggest fear is that we’ll end up like Ocean Falls. Ocean Falls died because it had no road and because nobody owned anything. And that place was an administrative centre for the central coast. [It was] not too long ago that there was a lot of activity up there. … So for me, the priorities for this place ought to be: one, to get a fixed link to Vancouver Island [from Vancouver]. That’ll put more traffic on the ferry [from Port Hardy to Bella Coola]. Two, to build an alternative route out of here. Three, to get a satisfactory level of electronic communication in here. … These moves would go a long way to helping us out economically.

(Male, Community leader, Interview reference #71)

This community has such incredible potential. We’re the third port [on the mainland coast], which should mean that even if we’re the ‘mini-est’, we should [be able to] seize a fraction of that traffic. This is a logical place for materials from the Cariboo to flow out of here. … That would open up all kinds of opportunities like mining here and in the west Chilcotin. And it’s worth a lot to not have to fight the Stevedore unions in Vancouver.

(Male, Community leader, Interview reference #61)

Such visions of movement and flow are also strongly held in Port Hardy. For instance, significant local capital is being invested in a series of expert studies of the viability of expanding local port facilities, including the establishment of a deep sea

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31 Ocean Falls was the site of a Crown Zellerbach pulp mill that was purchased by the provincial government in 1973, along with all properties in the community. These were then leased to employees of the mill, which permanently closed in 1980.
facility accessible to larger vessels. As was discussed previously, the ‘repositioning’ of Port Hardy within resource production networks is establishing this place as a key way-station for the transportation of regional resources en route to southern processing centres. This new role is spurring this talk about port development.

A lot of barge and tow traffic plies these waters as a north-south corridor. I mean, we’re standing right in the line of the central coast and the Lower Mainland and mid-Island centres [like Campbell River and Nanaimo]. Ideally, we’d like to service that traffic … [and] maybe be a terminus for the northern freight run. The mid-Island is closer to here time-wise by road than by water.

(Male, Community leader in local government, Interview reference #12)

The ambition of the community’s government and leadership to ‘position’ the place within broader networks of flow is also demonstrated in visual form on the District’s website. Here, the image reproduced in *Figure 4.3* appears under the heading “Strategic Location” in the “Economic Development” section of the site. In this image, Port Hardy is ‘located’ with reference to an amalgam of cities and nations across the Pacific Rim, including Australia, Korea, Japan, Chile, Hong Kong and Los Angeles. This imagery is notable in several respects. First, the “strategic location” of Port Hardy is framed in an international rather than regional context. So while much of the discussion of economic change that emerged in interview research emphasized inter-regional connectivity (to the Central Coast region, Mid-Island, and Lower Mainland), the imagery in *Figure 4.3* suggests a more ambitious spatial imagination. Second, the international framing of Port Hardy belies the fact that neither the air nor seaport currently have customs facilities or other capacities to directly handle international transport.

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What this suggests is that the spatial imagination of Port Hardy is about more than its establishment as a transportation hub or 'way-station' within the resource economy. Rather, the imagination of 'place-making' includes efforts to position the community directly in relation to the global. Port Hardy is a 'place that matters' in the global arena – a community with the potential to become a meaningful centre again, albeit this time in a global network environment. Indeed, at the time of interviewing in early 2005, several community leaders spoke of recent local efforts to develop a "foreign investment strategy" to take advantage of perceived global interests in the community.
What really got people here excited and interested in foreign markets was that the Chinese consulate came up here for a visit this summer. People got really excited. They started to think that we could somehow tap into that. ... So, we started thinking about a foreign investment strategy. ...

We don’t have a clue how to do this. [Laughs]. But that’s never stopped us before – we have to have a foreign investment strategy. ... [It’ll in some way] involve doing inventory work on what could be saleable into foreign markets, and what can be attracted from [those] markets.

(Female, Community leader in local government, Interview reference #62)

Between Market and Community

I have argued that the imagination of contained and open spaces for local development are thematically similar if substantively different engagements in ‘place-making’, in which the repositioning of the communities of Bella Coola and Port Hardy within corporate-resource economies are countered with a reaffirmation that ‘this place matters’ in local and/or global economic spheres. These imaginations are activist, in that they posit or directly encourage particular relationships and interventions at and/or across local and global scales.

In this section, I argue that the most consequential of these visions, in terms of re-asserting the power of the local in its relationship with ‘global’ economies, are those that aim at direct intervention in the relationship between community and broader markets. A ready example of this are the Internet societies in Bella Coola discussed previously, which are successfully constructing a ‘contained space’ of local labour and expertise based on the principles of social economy. Two things in particular are notable with this case. First, while these groups are pursuing a social utility that has been neglected by state and market, they draw heavily from entrepreneurialist state programs. As such,
these initiatives again tread the line between community empowerment and government
divestment in community development. Second, the actions that have been undertaken in
this contained space are facilitating new connections to global spaces that were otherwise
impossible. As we will see in Chapter 5, this specific act of local social economy has
opened up new avenues for local entrepreneurship and participation in extra-local
economies.

However, the power of community-based organizations to affect local-global
relationships extends beyond the simple facilitation of heightened connectivity. Both
Bella Coola and Port Hardy are home to local organizations that are intent on mediating
and/or directly structuring relationships between community and wider markets (between
local and global). In the case of Port Hardy, this is most evidently seen in the work of a
local tourism association. This association was recently founded by local tourism
operators, and is independent of local government and state agencies such as Tourism BC
and Tourism Vancouver Island. The aim of this group is to draw tourists specifically to
the region and to the community. Originally, this involved traditional advertising using
pamphlets and other publications. While this continues, the group has recently adopted
an aggressive but selective strategy for marketing the region.

[What we’ve] decided to do is pursue ‘in-market’ sales programming, where we
target marketing to specific groups like sport trade shows. ... These are the people
who are most likely to come here [as a destination] for what we have to offer.

[But] we also try to directly target the travel trade – to assist in putting travel
packages together. ... Essentially, we stand in between tour operators and local
operators, trying to work with both. We go to travel shows overseas, because
people want to see the whites of your eyes before taking a risk on you. ... But the
biggest problem is actually to make sure that the local provider is [physically]
there [to provide the service] when it’s needed. This can be a real problem – a
reputation-killer.

(Female, Community leader, Interview reference #62)
In this case, the tourism association seeks to act as a direct broker between market and community. This involves attempts to intervene in both spaces, as a ‘player’ in the wider market of advertisement, networking, and negotiation, and simultaneously as an instrument of governance and regulation in the local economy. In targeting the ‘middle space’ between Port Hardy and the international travel industry, this association labours to create a form of structure within this space of flow and movement. While the contours and performance of such structures are the subject of Chapter 5, it is sufficient for the present discussion to say that they are again a blend of market and social economy. As a player in the global travel trade, the association acts as a ‘free marketeer’, engaged in “selling the region” as a destination. But with respect to the local economy, the association has a strong role in local governance and the distribution of business (for instance, within travel packages). As shown in the above quotation, both roles are understood to be very important in the ‘positioning’ of the region as a destination in the travel trade.

A final example of this form of activism comes from efforts in Bella Coola to establish a Community Forest in the region. The Community Forestry program was initiated by the Government of British Columbia in 1998 on a trial basis. The aim of this program is to invite communities to apply for allocations of small forestry tenures. The program was expanded in 2003 following the pledge in the Forestry Revitalization Plan to reclaim 20 percent of tenure rights from major tenure holders for redistribution to First Nations, Community Forests, and private woodlots. Despite this boost in designated tenure rights, Community Forests are very hard to achieve and to operate. Designations
are allocated via competition, and communities or champion groups are required to demonstrate need (for example, local unemployment, difficulty among local processors obtaining timber supplies), as well as capacity or capability to manage the tenure (cf. Gunter 2004: 13; Interview reference # 41). Moreover, if successful, communities are required to establish ‘corporations’ for the administration of these tenures, although the guidelines for this are extremely flexible, to the point that operations in their entirety can be turned over to private firms (cf. Gunter 2004: 53).

In Bella Coola, the local champion group envisions its role in Community Forestry in similar terms as the tourism association discussed above. Specifically, leadership understands its role as one of brokerage and facilitation between community and market imperatives, local and global economies. The expected aim of the local corporation will be to coordinate complicated exchanges between local resources and wider free markets for capital, commodities, and labour. On the one hand, this involves the importation and ‘localization’ of capital and operational capacity that is found outside the community in order to meet logistical demands of operating a Community Forest (CF) tenure.

Our goal as a corporation is to get a viable operation going along the lines of a regular logging company that would have to work here [in the community]. … Our vision has been to have local investors start with the seed money for this operation. But then we will have to look to government, log brokers, and companies for financing. We will have to contract out [some] harvesting and [all] engineering. … For the long term, we need to have at least one major private investor – somebody who is not Interfor [International Forest Products] but not too small either – who can handle the problems of volume and scale from such a small tenure.

(Male, Involved in forestry, Interview reference #41)
In this sense, CF corporations act as a key vehicle for re-grounding increasingly ‘placeless’ resource capital and activity into a specific locality so as to support a place-based operation and small labour force. On the other hand, the CF corporation is also a vehicle for coordinating the externalization or export of local resources. From the same interview:

We would like to see more wood processed locally, for sure. But that can’t really happen even with a Community Forest. Wood will have to shipped south, like the major [firms] do. Only processing for niche markets will work in the short term here. We want to have a dryland sort here to kick out the wood to be used locally and then ship the rest out – just like the major [firms] do now. There’s simply not a choice. … Logging here puts out a huge variety of product, so [locally] we’re either wasting product or we’re wasting trees. … Interfor barged out logs to Vancouver or to Vancouver Island, and the Community Forest will do the same.

The CF corporation therefore coordinates the grounding of investment and expertise into the community as well as the delivery of local resources into broader commodity markets. This mediation of local and extra-local economic spaces allows (in theory) for the development of a limited place-grounded economy through direct employment and supply to small-scale producers. Figure 4.4 schematizes how CF corporations mediate exchanges between local and extra-local economic spaces. As with the tourism association, this is based on a vision of market and social economy, respectively exercised within global and local economic spaces.
4.4 Summary and Conclusions

This chapter has addressed community-level experiences of and strategies for effecting spatial change. In the case communities of Bella Coola and Port Hardy, there exist strong sentiments that these places have suffered a demotion in status and role with respect to the regional economy. Community and business leadership in both localities perceive rivalry from distant communities with respect to local administration, labour, and services. These shifts in thinking about the 'value' of place are not inconsequential. First, as was seen in the quotations of community members presented earlier, this is an emotional issue, where “silly little things” such as seeing fellow community members in
an orthodontist office five hundred kilometres from home are challenging (non-
Aboriginal) residents' sense of place.

Second, such understandings are rooted in demonstrable shifts in local and
regional spatial economies. As resource production becomes more flexible and network-
based, the role of communities within these economies becomes more variable. In Port
Hardy, key resource industries are being restructured around contract-based
arrangements. Using Sheppard's notion of 'positionality', which refers to the 'location'
of places within the spaces and hierarchies of global networks, we can frame this
restructuring as a transition from status as a regional-centre in the receding era of 'Fordist
globalization', to status as a network way-station in the flexible global network economy.
A similar transition has occurred in Bella Coola, but in this case the decline of regional-
centre status has resulted in outright exclusion from network-based resource production.

But while these are experiences of forcible repositioning, the communities are
also engaged in plural efforts at "place-making". These involve the envisioning and
construction of alternative understandings of the role and importance of place in local
and/or global contexts. I have argued that the range of spatial imaginations among
community and business leaders in Bella Coola and Port Hardy are united in their
insistence that 'this place matters' within the region or a broader global space. Such
understandings and visions can be very powerful, particularly when coupled with the new
resources made available in the transition to entrepreneurialist state strategies for local
development (see Chapter 3). Indeed, both communities are home to groups that have
mobilized these visions and resources to create social economies, or "activities designed
to combat social exclusion through socially useful goods ... which are not provided for by the state or the private sector” (Amin et al. 2002: vii).

Such exercises in ‘place-making’ affect the relationship between these communities and extra-local markets and spaces – and thus offer a potent response to the repositioning of these localities with respect to corporate-industrial resource production. Community groups such as the tourism association in Port Hardy and the Community Forest organization in Bella Coola seek to mediate relationships between market and community, as well as between local and extra-local spaces and actors. In doing so, they operate simultaneously on the principles of market and social economy, being deeply involved in extra-regional negotiation and the governance of local economic spaces.

In the following chapter, I examine the experiences of local firms that are struggling with the ‘repositioning’ of their home communities in the global market. As we will see, many local ventures have lost traditional links to global wealth (through corporate clients) and are finding themselves in the novel position of having to directly negotiate access to and relationships with broader markets. This change, where local firms are suddenly forced to ‘find their own ways’ in the global economy, means that local actors are increasingly required to ‘perform’ network connections and movements over significant distances in order to survive and grow. This is radically altering how ‘local’ economies are practiced – raising new questions of development, capacity, and how ‘glocal’ economies are performed on the margins.
Chapter 5

Local Firm

The spatial transformation of British Columbia’s rural economy is a complex, multi-dimensional, and contested phenomenon. As we have seen, this transformation involves the deep restructuring of economic governance, both in terms of the political economy of resource production and in the methods of state intervention into rural economies. However, we have also seen that communities are not passive victims of these processes. Within the case communities of Port Hardy and Bella Coola, significant efforts are underway, both discursive and concrete, to establish new spatial economies. These exercises in spatial imagination and “place-making” are a powerful re-assertion that ‘this place matters’ in the network economy, and become the foundation for several types of community-based visions of development.

This chapter considers the role and actions of local firms and businesses in the spatial recasting of the economies of Port Hardy and Bella Coola. On the one hand, the
spatial liberalization and restructuring that has gripped the case communities has been particularly devastating for local businesses. For many years, the local economies of Port Hardy and Bella Coola were dominated by corporatist arrangements, whereby senior governments and major resource firms steered and apportioned local development (see Chapter 3). These arrangements have now collapsed, leaving local firms without traditional clients, 'sponsors', or patrons. On the other hand, this transition is opening up new avenues and arenas for economic action. Indeed, some authors suggest that the retrenchment of corporatism is liberating local entrepreneurial tendencies that have been long suppressed by the relationships of patronage and dependency that dominated Fordist resource production (e.g., Hayter 2000: 188, 217).

This chapter has three aims. First, it will use interview data from Bella Coola and Port Hardy to consider what the structural and spatial transformation of the local economy has meant for local firms. The retrenchment of major resource firms has isolated these communities from traditional sources of external capital, both in the form of direct spending and investment by corporate actors, and in the (relatively) high and stable wages and incomes derived from industrial resource work (cf. Hayter and Barnes 1997b: 8). As such, many local firms are forced to pursue new markets under direct threat of bankruptcy and/or closure. Importantly, however, participation in wider economies is difficult for these geographically marginalized firms. Markets are difficult to access, and it is even more difficult for firms in these communities to exert any form of control or influence in these economic spaces. As such, I will argue that the economies of Bella Coola and Port Hardy are increasingly (and in a sense quintessentially) network-based economies. This is because mere access to broader or far-away 'free' markets (that
are governed more by the logics of supply, demand, and price than by networks – cf. Thompson 2003: 24) requires intense network ‘performances’ on behalf of rural actors.

The second aim of this chapter is to outline and analyze the main strategies that are engaged by firms in the case communities to adapt to the new economic conditions that have emerged following the collapse of Fordist and corporatist arrangements. The interview research shows that local actors demonstrate tremendous creativity in this endeavour, engaging in a variety of strategies to gain and retain access to new markets and extra-regional economic spaces. However, this creativity and the capacity to act on it are unevenly distributed within the local economy. These discrepancies reflect the different possible fates for rural participation in the global network economy. The darkest of these fates is revealed by firms that have been unable to make the transition from corporatist to network-based economies. For these businesses, which include many retail and service firms, this is a story of slow decline. The relationship of many other ventures to the network-based economy is more ambivalent – opening some new opportunities while posing fundamental challenges to traditional ways of doing business in the local economy. In the analysis that follows, I identify two main strategies among local firms for participation in broader, extra-local markets. The first involves efforts to access and/or harness the extra-regional flows that pass through or ‘touch down’ in the community or region. This is the core strategy for many tourism operators, many of whom formerly provided services to resource corporations but who now rely on the seasonal movements of consumer-tourists. However, this strategy is not limited to the tourism/service sector, but also clearly exists in producer-service sectors as well. A core characteristic of this strategy, however, is its continued reliance on movements and flows
that stand outside of local influence or control. In other words, it may be argued that this form of participation in network-based economies is inherently marginal, in that it remains dependent on connections and mobilities that are conducted and coordinated by others. This contrasts with the second main strategy among local firms seeking participation in wider markets, which involves attempts to forge direct connections into extra-regional economic spaces. If properly conducted, this form of network performance has significant potential for local empowerment within global economic spaces.

The third aim of this chapter is to develop a schema for understanding and explaining the performance of network economies from positions of geographic marginality. This schema will be drawn out of the experiences of local firms that are attempting to connect directly with extra-regional markets and spaces – as I understand this movement to hold significant potential for local development and the meaningful participation of local actors in ‘global’ economies. However, this analysis recognizes that geographic isolation and marginality present substantial barriers to the establishment, maintenance, and practicing of connections into global economic spaces. Therefore, my analysis of local efforts to perform network economies in this manner will proceed alongside a theoretical consideration of how physical distances (i.e., the territorial separation of these communities from other sites in the broader network economy) interact with the social and technological dimensions of network connections and movements. This will involve a conceptualization of rural distances as complex and ‘hybridized’ spaces that serve as settings for efforts to configure or combine physical, technological, and social elements into durable means of ‘reaching across space’. I will
argue that the capacity of firms, actors, and networks to configure distances is emerging as a dominant new issue in rural development, and is creating new forms of inequality within local economies that will have a strong impact on future development in the case communities and across rural British Columbia.

The discussion and analysis presented in this chapter are not intended to stand as a thorough recounting of the transformation of the local economies of Bella Coola and Port Hardy. As was discussed in Chapter 1, the findings presented are based on the principles of ethnomethodology, or the assumption that actors are sensitive interpreters of the world and of their situations within it, and that much can be gleaned from people's reflections on their condition and actions to change, ameliorate, or preserve it (cf. Rawls 2002: 6; Francis and Hester 2004: 17). In Latour's words, the value of recounting stories and "following the actor through society" is that "actors know what they do and we have to learn from them not only what they do, but how and why they do it" (Latour 1999: 20). This approach allows access to the strategies, actions, and processes that are engaged by local actors in response to the deeply structural problems created by the collapse of Fordist and corporatist arrangements in these communities. This access is crucial to understanding the performance of network economies – a perspective that I argue can tell us a great deal about possible economic futures for these and other geographically marginal communities and regions.

5.1 A Problem of Definition: what is the rural network economy?

We begin with a familiar but critical question of definition. While the literature concerning network-based forms of economic activity is vast and ever-expanding, no
broad consensus exists on a definition of what exactly constitutes a network economy (Thompson 2003: 2). In Chapters 3 and 4 of this work, we saw that the corporate resource economy is being spatially restructured in order to better align these sectors with the demands of an increasingly flexible and competitive global network economy for resources (an economy based on large-scale but highly market-sensitive flows of commodities and capital across an increasingly integrated global market). This is having a direct impact on local economic spaces, as this movement alters "the production of space" in local settings (see the discussion in Chapter 4).

However, global network theory cannot inform us very well about 'ground up' globalization, or the efforts of local firms to participate in extra-local economic spaces. But as discussed in Chapter 2, the current literature on place-based or 'glocal' network economies is dominated by form- and structure-based conceptualizations. Specifically, it is dominated by conceptualizations that stress those forms of network organization that occur 'horizontally' in geographic areas such as clusters and districts (cf. Markusen 2003). While this emphasis has been very important for understanding urban and semi-urban cases of network-based economic action, we saw in previous discussions that these network forms and structures are rare in rural situations, and that when identifiable they are often the product of corporate action rather than entrepreneurial and negotiated economic relationships (see pages 71-2 of this thesis).

Therefore, in advancing the argument that the local economies of Bella Coola and Port Hardy are increasingly network-based, I draw on a relational rather than form-based conceptualization of network economies. Specifically, I am in agreement with Dicken et al. (2001: 91), who argue that network economies can be distinguished from other
economic structures based on “the intensity of relational processes that occur across multiple scales”. This definition contains two key propositions. First, “the intensity of relational processes” refers to the practices involved in forming, directing, and maintaining network connections. Importantly, Dicken and colleagues argue that network economies are not new, but that they are becoming more prevalent under conditions of globalization and spatial liberalization. Thus, their discussion regarding ‘the intensity of relational processes’ emphasizes that networks are increasingly a primary vehicle “for intentionality and power relations among social [and economic] actors” (2001: 93). In other words, network economies are characterized by intense negotiations and struggles that play out in relationships among actors (cf. Murdoch 1998: 362). The second proposition is that these processes occur across multiple scales. This recognizes that networks have always played a key role in (local) economies, but that the ‘network economy’ in its contemporary meaning is characterized by the tendency of network relationships and arrangements to extend into and across multiple geographic systems. Indeed, “network formation and network processes … [occur] in the complex intermingling of different geographical scales (global, regional, national and local)” (Dicken et al. 2001: 95).

The advantage of the relational definition of network economies is that it can be evaluated against evidence, while allowing for the possibility that ‘the occurrence of intense relational processes across multiple scales’ may take multiple forms. Therefore, in arguing that the economies of Bella Coola and Port Hardy are increasingly network-based, I mean that local firms and the local economy are becoming more reliant on those relations (broadly understood) that are channelled by social and technological networks
into and out of the community, while becoming less reliant on traditional sources of income and capital, namely major resource corporations and the consumption capacities of the local market. Importantly, moreover, Dicken and colleagues’ definition does not prejudge the form and character of this reliance on relations. According to network theorists who adhere to a form-based conceptualization of network economies, this lack of precision is problematic. This position is best articulated by Thompson (2003: 22-24, 48), who argues that multi-scalar economic relations are most often better explained by traditional notions of hierarchy (i.e., relations of authority and contract) and by notions of markets (i.e., patterns of self-interested buying and selling) than by the concept of networks, which ought to be reserved for those relations that are neither – for relations that are based on relationships of interdependency, negotiation, and social exchange among relatively equal actors and organizations.

In my view, Thompson’s arguments have real merit when applied to urban or semi-urban settings, where concrete distinctions can be drawn between these different forms of inter-actor relationships. However, in rural areas, the new economic reality appears to be a tangle of hierarchies, markets, and networks as Thompson understands them. This is a situation where access to extra-regional hierarchical structures (such as the increasingly contract- and network-based arrangements within the corporate-industrial resources economies) as well as access to extra-regional markets, is very much dependent on network relations and arrangements. As we will see below, the current reality of rural economies is such that intense engagement with social and technological networks is a precedent for access to hierarchical and market structures in the wider economic space.
Looking ahead, the relational understanding of network economies as advanced by Dicken and colleagues provides a starting point for the analysis of network-based economic action on the margins. Borrowing the key elements of their conceptualization, I will proceed on the understanding that rural network economies are characterized by a reliance on relational processes at or across multiple scales for the survival, growth, and/or day-to-day operations of local firms. Using this definition, we may distinguish between those firms that are more embedded in the network economy versus those that are less so or not at all. Furthermore, as previously mentioned, another advantage of this definition is that it does not prejudge the form and character of network connections. This is very important for the analytical approach that I will develop throughout the following discussion that understands networks and connectivity as phenomena that are “performed”. Recalling the discussion in Chapter 2 (pages 76-7), this involves placing analytical primacy on the strategies, actions, and processes that are involved in establishing, maintaining, and practicing connections and movements across rural spaces and territories. In other words, it involves paying minute attention to the manner in which actors attempt to ‘enact’ network structures and forms (rather than assuming that these are derivative of network actions). In particular, it means paying attention to actors’ struggles to access or align the social, technological, and strategic resources that are involved in ‘reaching across’ territories and scales.

5.2 The Transition: from corporatist to network economies

It is difficult to overstate the challenges posed to firms in the communities of Port Hardy and Bella Coola following the collapse of spatial Fordism and its attendant
corporatist arrangements. From the late 1960s, the local economy of each community has been dominated by major corporate actors and state agencies. The withdrawal of this presence (as discussed in detail in Chapters 3 and 4) has affected existing businesses in several ways. First, it has removed a key client base from the local economy. Corporate and state agencies were significant consumers in the local economy, particularly of services and contract labour. Second, the withdrawal of corporate and state presence has reduced overall wealth in these communities by lowering employment and wages.

These changes have had a dual effect on the local economies of the case communities. Most obviously, the withdrawal of a key client base along with the reduction in wages has lowered the capacity of the local place-based economy to support businesses. This reality is reflected in the insistence by private and state-sponsored funding agencies that new businesses concentrate on extra-regional markets (see pages 133-4 of this thesis). Perhaps more significant, however, is the loss of traditional connections to outside wealth. While the corporate dominance of rural communities in British Columbia has been rightly criticized as undemocratic and exploitative (cf. Marchak 1983), these arrangements served as a significant conduit for the ‘importation’ of wealth into the local economy (Hayter 2000: 294). Following the collapse of corporatism, the relationship between these communities and extra-regional economies is unclear and a subject of deep local concern (see Chapter 4).

For individual firms, the collapse of corporatism is potentially devastating, as it has simultaneously cut many businesses off from both their traditional client base and from the wealth of broader economies. In this respect, the emergence of network-based economies in Port Hardy and Bella Coola has been a forced transition. These have arisen
in a very compressed time period (from the mid-1990s onwards), and more as a result of the political economic transformation discussed in prior chapters than due to traditional entrepreneurial spirit or proactive innovation. Nevertheless, the key point of discontinuity with the Fordist/corporatist era is that the emerging structure of local economies is fundamentally entrepreneurialist. By this, I mean that individual firms are increasingly pressed to forge their own connections with extra-regional actors and wealth. Cut off from the institutional structures that channelled wealth through communities in a stable and predictable manner under corporatism or spatial Fordism (even in recession – Hayter 2000: 294), local businesses become network 'free agents'.

Simply put, the transition to an entrepreneurialist and network-based economy is reforming the spaces in which local economic action takes place. First, this change suggests that local economies are less ‘local’ than they were in the corporatist era. No longer able to rely on one or few major clients or on local consumption patterns, many local businesses increasingly rely primarily and directly on outside markets, customers and clients. Second, the network form diversifies the spaces in which ‘local’ economic action takes place. As we will see below and in later parts of this chapter, many firms in Port Hardy and Bella Coola are pursuing a great variety of network connections at multiple scales (local, regional, global).

The challenges posed to local firms by the transition from corporatist to entrepreneurialist-network arrangements are poignantly illustrated by the divergent strategies and capacities demonstrated in the case of two very similar businesses, one of which is located in Port Hardy and the other in Bella Coola. Both businesses recently suffered the collapse of their traditional client and customer base due to the withdrawal of
corporate and state actors from the community. The firms in question are storefront travel agencies. However, under corporatist arrangements, these businesses had enjoyed a dual role in the local economy. First, they served as traditional consumer-oriented travel agencies serving local people interested in purchasing vacation packages or other types of personal travel. In the relatively remote communities of Port Hardy and Bella Coola, there existed significant demand for these services. Additionally, the relatively high incomes derived from resource work allowed modest discretionary spending on travel (interview reference # 132). Second, these ventures also directly serviced the travel needs of resource firms and government agencies operating in the region. The business of industrial resource production is labour intensive. As such, under Fordism, resource firms and state agencies regularly circulated labour and expertise into and out of the communities, as well as to and from the often remote sites of harvest or production. While much of this business was handled in-house by firm and state, the local travel agencies were regularly contracted to arrange transportation, accommodation, and charter travel on behalf of corporate actors and government agencies (Interview reference # 91 and 132). Returning to the language used in Chapter 4, the local travel agencies relied on the status of these communities as regional centres in the Fordist system of resource development, specifically as points from which regional resources were administered and accessed, and through which labour and expertise circulated and flowed.

For both firms, the withdrawal of state and corporate involvement in the local economies of Port Hardy and Bella Coola has been devastating. The impact of the transition is dual: both firms have lost their key corporate and state clients, as well as
suffering the effects of out-migration and reduced consumption capacities in the communities.

We used to get a lot of travel for the mine and the big logging companies, but there is very little corporate travel anymore. We used to do the government travel too, but most of that now goes through one chain of travel agencies in Vancouver and Victoria now. ... We'd get fairly regular business from Western Forest Products and the pulpmill in Port Alice. [Author’s note: this interview was conducted six months following the closure of the Port Alice pulpmill in October 2004]. Most of the little logging companies [now operating] do their own charters. ... [So] most of our clientele is now mostly local – people going on vacation. The population decline and the local economy decline hurts us badly. We've had to downsize. ... [Also,] the Internet is a huge competitor now. [Local] people book their flights and hotels directly.

(Female, Manager of firm, Interview reference # 132)

When we started the travel agency about fifteen years ago, we mostly did travel service for local people. ... Local people were the primary customers. We [also] did a lot of local business for Interfor, and also the government agencies. They've all pulled out now. After that, things went downhill in a hurry. ... The downturn was difficult. We were wondering what to do – wondering [if there] is a future in this business at all.

(Female, Manager of firm, Interview reference # 91)

In both cases, these businesses have found themselves suddenly cut off from traditional clients and sources of income, and faced with a new reality where the community and its traditional economic arrangements are no longer able to support these firms on their own. To survive, these small, community-based firms must turn outward and attempt to draw income from sources outside of the community and region. In other words, they must initiate a transition from corporatist to network-based economic arrangements, from a local to an extra-local economic space. However, this transition is not easy, simple, or uniform. In Sjoholt’s terms (1987), it is an “unruly” transition, where
firms are forced into short and risky periods of economic experimentation in a local economic environment that is being pulled in multiple directions by desperation and by suddenly ‘released’ entrepreneurial creativity. Both firms struggled under these trying conditions to find their footing in the network-based economy. While one of these businesses was ultimately able to re-establish itself and even prosper in the network economy, the other was not, and permanently closed several months following these interviews.

To varying degrees, both firms considered the possibility of re-orienting their businesses towards extra-regional clientele, specifically vacationers and tourists. The agency in Bella Coola was most proactive in this regard.

Our lowest ebb came after 9/11. That really changed the business again, because we even lost the few people coming in. We cut hours [at the store] and were down to one person. It was tough. … [So we] thought we’d take the bull by the horns. We started trying to offer in-bound packages, mostly to high-fliers who would arrive by air. Unfortunately, the local operators were just too unreliable. There’s a small town attitude to industry here, and that means that tours just aren’t scheduled. People would say “if they want a tour, call me”, and I’d say “without a schedule, they won’t come”. … To be fair, it takes a significant investment to get scheduled runs. … The costs for operators and for potential tourists were just too high. We couldn’t get that off the ground.

(Female, Manager of firm, Interview reference # 92)

The failure of this initiative nearly sank the business, as, from the manager’s perspective, this was the only significant untapped market that could be accessed by the firm. (“We just didn’t know what else could possibly work for us”). This was also the sentiment for the Port Hardy business, which considered but ultimately decided against investing in the ‘inbound’ tourism and vacation market.
We thought about trying to do more with the inbound traffic. A lot of people do come through here for sport fishing. ... For now, if someone contacts us and wants to come, then we direct them and book locally. [But] if we were to focus on in-bound traffic, we’d have to do a website and a lot of other advertising. ... That’s a lot of work and a lot of cost.

(Female, Manager of firm, Interview reference # 132)

Unable to re-orient the business to extra-regional demands and movements, the Port Hardy firm has now permanently closed. However, the Bella Coola agency was ultimately successful in dramatically re-orienting the function and clientele of the business, although in a somewhat haphazard way, and only following the failure of its first attempt to operate directly in extra-regional economic spaces.

We actually kind of fell backwards into something after hanging on like that for a long time. ... A few years ago, [a sport fishing resort in the region] was bought by an American. [They were] looking for someone local to work on bookkeeping and accounting. We needed any work we could get, and we got that contract. It was small, but then we got a referral through them to some U.S. fishing operations [sending people] to the Dean [River]. From there, we started doing bookings for U.S. travellers through these same companies, but to places all over the world. China, Alaska, South America. Everywhere. [Interviewer: Not to come here?] No. They’ve never heard of Bella Coola. [The travellers] have nothing to do with us. ... The companies [that we deal with], there are two in Texas, one in Montana, one in New Mexico. We do their travel for their clients, [and] that’s most of our business now. Not that much comes in the front door anymore. ... We’ve actually increased our sales by a hundred percent over the past few years, but that doesn’t mean we’re making more money. [Laughs].

(Female, Manager of firm, Interview reference #91)

These experiences are notable in several respects. First, they tell a common story about what the collapse of Fordist and corporatist arrangements has meant for many local firms. Suddenly cut off from traditional corporate and community clientele, many businesses are forced into a difficult ‘innovate or die’ scenario. This has had a tremendous influence on the local economies of Port Hardy and Bella Coola, as firms
engage in multiple and varied strategies to reach new markets. The stakes in this experimentation are very high, and many small businesses take enormous risks based on limited personal and family financing in their attempts to redefine the firm. In a real sense, the local economy has radically shifted from being deeply corporatist to deeply Schumpeterian in character – where firms are thrust into manic periods of “creative destruction” in order to survive (cf. Schumpeter 1961: 64-9; 1975 [1942]: 82-5).

Second, the experience of the more successful business is difficult to categorize using the standard language and terms of network theory and analysis. Arguments can be made that this firm has survived due to its capacity to innovate, but also that those innovations that were crucial to the re-orientation of the business were not intentionally made. Similarly, arguments can be made that the flexibility of the business aided in its resuscitation, but also that it was the auxiliary skills of the manager (bookkeeping and accounting) rather than the business itself that bridged this transition. Last, while it is clear that the firm is now embedded in a network-based economy that involves local and global actors and spaces, the ability of the local firm to exercise a measure of power, control, or independence within these spaces is questionable.

It is clear that the Bella Coola firm is embedded in a network economy (following the definition given earlier, it relies on relational processes at or across multiple scales). From the information given in the interview, it would also be possible to graph or sketch this network as it extended from the firm to the sport fishing resort to the international travel firms. However, this approach would fail to address key questions regarding the “performance” or enactment of these network connections, through strategy, accident, convenience, effort and influence. The incorporation of the firm into a broader economic
space has been achieved through a mix of social and technological capacities – a unique chain of skills, relationships, movements and communications that is at once highly contingent and relatively stable.

In the remainder of this chapter, I attempt to impose some analytical order onto local efforts to perform ‘unruly’ network economies, where connections and movements (and therefore success and failure) at first glance appear to be characterized by chance and contingency. The discussion begins in following sections with an analysis of firms’ understandings of network economies, and of their strategies and means for participating in extra-local economic spaces. An overwhelming majority of firms interviewed for this research spoke in some manner of a desire, need, strategy, or recounting of attempts to reach into extra-local markets. However, I will argue that these visions and experiences may be roughly divided according to the envisioned or actual positioning of the firm relative to network movements and flows. For many local ventures, strategies for participation in the network economy are limited to attempts to harness routine (although often novel) flows and movements through the region. This method of network participation has allowed some firms to grow and prosper. For others, however, this method has failed to yield much stability for the firm, and it can be argued that this form of network performance and participation further entrenches the condition of marginality and isolation in the communities. This contrasts with a second vision and strategy for network performance, which involves efforts to directly participate in broader or far-away markets by actively reaching across space. This strategy presents tremendous challenges to local firms, who must labour to achieve and maintain social and

33 23 out of the 26 firms interviewed across both case communities gave some indication in response to open-ended questions of a strategy, need, desire, or attempt to reach into outside markets.
technological network connections despite the restraints of isolation and remoteness. These cases are the most intense sites for the performance of rural network economies, and as such yield significant insights into the opportunities and constraints for local firms that accompany this form of economic organization and action.

5.3 Harnessing Flows and Movements: strategic positioning within local spaces

The collapse of Fordist and corporatist arrangements in the case communities means that it is no longer appropriate to consider the local economies of Bella Coola and Port Hardy as 'self-contained'. Economic actions occur less and less 'in place', or with less reference to the needs of place-bound corporate- or consumer-clients. The challenges of this transition were made very clear in the case of the local travel agencies discussed above, which could not survive within the dwindling place-bound economy. In this section, I discuss the first of two key strategies adopted by some local firms to adapt to the dwindling local economy. This strategy involves attempts to reorient the venture to address the local needs and interests of actors that operate primarily in wider and/or distant economies. The core of this strategy involves attempts to harness elements of the broader economy through their specific points of contact or exchange with the local space of the community-level economy.

To fully understand the logic of this strategy, I return first to the discussion in Chapter 4. It was demonstrated there that the communities of Bella Coola and Port Hardy are presently undergoing a forced ‘repositioning’ within the global resource economy away from status as regional centres. In other words, these are becoming 'less of places' within the emerging network-based logic of corporate resource production. As
the spatial role of these communities as centres recedes, new network- and flow-based economic structures are emerging. This is particularly the case in Port Hardy, which is being recast as a site of distribution and transportation within the resource economy (as a network ‘way-station’).

As previously discussed, this transition has cut many local firms off from their traditional connections to ‘global’ wealth (mediated through the institutions and arrangements of corporatism). As such, a major strategy for economic adaptation has been to reorient the firm to address those extra-regional and/or global flows that continue (or are in some cases new) to have some connection or ‘descent’ into local economic spaces. In other words, this strategy involves attempts to harness what ‘flows through’ local and regional spaces under Post-Fordist, post-corporatist economic conditions.

This strategy is most evident in the tourism sectors of both Port Hardy and Bella Coola. Tourism has been an area of modest growth in both communities since the mid 1990s, and consultants’ reports generally project a zero to 10 percent annual increase in visitors to these regions over the coming decade (Van Struth 2003: xxvi; see also McKim 2003c: 3; Hardy and Simic 2006). The emergence of the tourist economy as a major component of the local economies of Port Hardy and Bella Coola is itself a powerful symbol of economic change. First, the tourist economy tends to provide lower wages than traditional resource work, and to skew employment towards youth and women (Egan and Klausen 1998). Second, new tourist economies often put new demands on local spaces and landscapes, sometimes to the point of exposing fault lines within communities between sectors and groups that have different interests in the usage and representation of the community and region (cf. Porter and Salazar 2005). Indeed, the
interview research conducted in Port Hardy and Bella Coola uncovered a low to moderate degree of conflict and disparagement on these issues. Third, much academic writing presumes that the emergence of a tourist economy prompts a radical reformulation of the local economy away from a production mandate and towards a more service-based economy (e.g., Greffe 1994; Wilson et al. 2001; Besser 2003). On this point, however, it is important to note that in the case communities of Bella Coola and Port Hardy, there has existed a strong tradition of producer services (services to other businesses) that developed under Fordist-corporatist arrangements, and that the rise of the tourism economy is novel primarily in the sense that it introduces a new attention and urgency to consumer-oriented services. In the following, I will argue that tourism is also emblematic of a fourth transformation in local economies, specifically regarding how local actors attempt to harness the wealth of global economies and flows.

Tourism is an area of minimal to modest growth within a very difficult economic situation. As such, many local firms in Port Hardy and Bella Coola have sought to take advantage of these opportunities, either by founding new ventures or by restructuring existing businesses away from their traditional role in producer services and towards consumer demands. However, this transition has not always been easy or conducive to growth for the firm. The following two quotations are from managers of medium-sized hotel operations in the communities.

When I bought this place seventeen years ago, this was a loggers’ hotel. That’s who the clientele was — where the demand was. There was a sprinkling of salesmen and the like, but they were just as easy to please. [Interviewer: How so?] All they wanted was a clean bed. ... Tourism is different. We’re less busy overall, and the clientele is a bit more demanding. Still, lots of people are trying to get B&Bs [bed and breakfasts] going. ... The problem [with that] though is
that we’ve never increased the size of the pie, it’s just getting more and more subdivided.

(Female, Owner of firm, Interview reference # 72)

In the old resource days, the hotels in town were for workers. That means, though, that the standards weren’t too high, and they were really run down. The Chamber of Commerce was getting complaints from tourists who were totally shocked, and they wouldn’t stay here [in town]. ... [But] it takes a lot of investment to bring a hotel up to those [tourism] standards. Most of the old places in town here haven’t done it. Those that have – it’s a big risk. You have to know what you’re doing, and a lot of people don’t seem to know what they’re doing.

(Male, Owner of firm, Interview Reference # 152)

These are stories about a transformation in types of movement, flow, and exchange across territories and scales. Many firms in the service sector in these communities had relied strongly on the centrally coordinated and routinized circulation of labour and expertise into and out of local spaces. The decline of these relatively stable channels between local and extra-local economies and spaces has occurred concurrently with the emergence of a very differently ‘performed’ set of local-global interactions. This latter form is much less structured and routinized, being composed of the individual schedules and consumer desires of thousands of mobile individuals, families, and groups. The movements of tourists appear to many local firms to be both chaotic and fickle, ebbing and flowing in unpredictable ways.

[The biggest challenge] is that you never know what one season to the next is going to be like, or even what one week to the next is going to be like. It’s out of our hands ... If I could run this place all year round, it would make money. If I could get a [work]crew in here for just a few months in the winter, we’d be OK. ... It would go a long way to countering [that] uncertainty.

(Female, Owner of firm, Interview Reference # 11)
This understanding of the tourist economy as being largely “out of our hands” is not universally held, and alternative imaginations are considered later in this chapter. However, it is a common sentiment among local firms attempting to access this economy, that the tourist economy occurs primarily ‘out there’ – at a regional, provincial, and/or global scale. While it also occurs within local spaces, the contact between tourists and the communities is understood to be selective and somewhat fragile.

The problem is that this is not a destination for people. [Tourists are] doing the [Discovery Coast] ferry run – they’re not here for us! … There are lots of reasons that this [community] could be a destination. I mean, look at this place. If you love cocaine, then you look for the best stuff. If you love mountains – well, this valley is on steroids. … There are lots of reasons this could be a destination. But we don’t have the big hotels and [organized] activities to make it that way.

(Male, Manager of firm, Interview reference # 101)

The problem with this place is that we don’t have a destination. We don’t have a place that we can send people to go see. We’re just a transit point. We all have to work at that – to try to give people a reason to stay here. … Otherwise, it’s not really a tourist economy, is it?

(Male, Owner of firm, Interview reference # 152)

The last statement in the above quotation is particularly telling. While many local businesses are actively pursuing tourists as a new clientele, there is an underlying sense among many firms that what exists in the local space “is not really a tourist economy”. This understanding of the tourist economy casts local exposure to this ‘global’ movement as momentary, fragile, and incomplete. Tourism is understood as a regional phenomenon, with most visitors having a primary interest in travel and mobility itself (particularly the Discovery Coast and Inside Passage ferry routes) rather than an experience of place. While many tourism businesses express disdain for this situation,
the predominant strategy among these firms is to attempt to position themselves to take (limited) advantage of where this global-regional flow makes contact with the local economy.

One of the reasons that we’ve done OK in the last few years is that we’re the first place people see when they come into town. It’s as simple as that. They’ve come through nothing but wilderness for hundreds of miles, and then there we are. It’s actually a big part of my business.

(Female, Owner of firm, Interview Reference #11)

We cater to the ferry crowd. Everyone does, there really isn’t a choice. ... [But] we make almost nothing off the people that stay here only one night. Not when you consider the expenses of the effort that goes into it – like putting the advertising [on the ferry], doing the paperwork and billing, doing the laundry, et cetera. We make our money on those that stay awhile. That’s what’s important, but that’s also the hardest group to get.

(Female, Owner of firm, Interview Reference #131)

In a sense, this strategy of attempting to harness global flows as they pass through local places makes a lot of sense for local firms. The movement of people (tourists) through local spaces is an obvious source and link to extra-regional wealth. At the same time, however, it is important to note that this strategy is a source of anxiety among adherents. The fragility of this type of connection to the ‘real’ tourist economy is wearing on local businesses, who lament the inability of the community to serve as a mooring or destination for bodies and capital in motion.

It’s an irony. As the economy gets worse and worse, people here look for opportunities in tourism and service. ... There are more rooms and restaurants here now than at the peak [of prosperity].

(Male, Owner of firm, Interview reference #121)
In summary, this strategy of positioning or repositioning the firm to capture or harness flows through local spaces can be considered as the institutionalization of a dependency or reliance on extra-local economic flows without direct participation in extra-local spaces. In many cases, this form of adaptation involves the substitution of a reliance on the corporate ‘channelling’ of bodies and capital to a more raw reliance on the ‘chaotic’ movements of consumers. As such, firms that are engaged solely in this strategy are involved in a very limited ‘performance’ of the network economy, being concerned more with positioning themselves strategically within the local economic spaces (relative to ‘points of contact’ between global and local) rather than engaging or enacting extra-regional economic spaces. (Note, however, that this conclusion will be complicated in later sections of the chapter).

While the strategy of positioning the firm to address local points of contact for extra-regional or global flows is most evident in tourism, it is also present in limited form in other sectors of the local economy. This is illustrated in the case of a Port Hardy business, whose experiences with the collapse of Fordist-corporatist arrangements demonstrate both similarities and key differences with those just described in the consumer-service sector. This firm was a supplier of wire rope and logging supplies to multiple clients in the region, including the Island Copper Mine, the Port Alice pulpmill, commercial fishers, and contract logging firms. Each of these client groups have closed (intermittently or permanently) or severely diminished over the past decade, leaving the firm in very dire straits.

The past seven years have been really tough. ... The only thing that’s saved us and got us through that time actually is that our main [local] competitor has totally given up. They’ve been progressively moving down Island. ... [Now] it’s about
keeping the doors open. Port Hardy’s not making any millionaires anymore, I can
tell you that.

(Male, Manager of firm, Interview reference # 122)

During this time, a lone bright spot for the business was the establishment of
major salmon aquaculture grow-out sites in the Broughton Archipelago to the north and
east of the community. These sites are a new client base, but are only modest consumers
of wire rigging. “Most of the aquaculture companies bring in their own wire – they’re
buying from elsewhere. But they do come to us on an as-needed basis, which is better
than nothing. … They don’t consume near as much wire as commercial fishing, but it’s
something”. However, contact with the aquaculture industry introduced the firm to a new
and unforeseen opportunity.

Because we were dealing with them [aquaculture firms] anyways, we started to
see just how much they rely on services. I mean, they’re really tightly regulated
on things like safety. So what we started doing was safety things for them. …
Three years ago we bought out a local business that filled fire extinguishers. …
Now we do that here in the shop. … Because we knew the aquaculture guys, we
started to supply them [with fire extinguisher services]. … I then got myself
certified, and now they [aquaculture firms] have us check the extinguishers and
all of their safety equipment on-site. … So aquaculture’s actually been great to us,
but not for buying wire. We spend a lot of billing time out on service calls. They
need us to keep their insurance down!

(Male, Manager of firm, Interview reference #122)

This is again a case of a local firm strategically positioning itself to address a
point where global flows pass through and ‘descend’ to the local economy. The
aquaculture firms are spatially ‘free’, in that they negotiate the broader market for
supplies and equipment, and dip into the local economy only minimally.34 As such, the

34 It should be noted however that Port Hardy is home to a major aquaculture processing operation
employing between 80 and 150 persons depending on season and market conditions. The plant is owned
firm had to compete and orient itself to access that client group even in a marginal way (for instance by securing delivery of supply by boat). However, the real success of the firm stemmed from its ability to harness a routine need of the aquaculture sites that could be best served by local contract arrangements. The requirement for safety inspections and servicing (enforced by regulators and insurers) was levered by the firm into a novel but stable and routinized point of contact between the ‘global’ commodity flow of aquaculture production and the local economic space.

While this experience is in some respects similar to those in the tourism sector, where the firm has sought to strategically position itself at a point of local-global connection, it also demonstrates several key differences. First, in this case the firm has harnessed a particular point of contact. In contrast to the reliance among many local tour operators on a general but chaotic flow composed of thousands of ‘free’ units, the wire rigging business has tapped a specific point of exchange that is routine and repeatable. The second core difference is that access to this local-global connection has been negotiated rather than presumed. While many local tourism firms (but not all, as we will later see) wait on the ‘descent’ of global flows into local spaces, the wire rigging business actively pursued the connection.

In this light, while both the tourism and rigging firms are attuned to the local circulations of global capital, the latter is more embedded in a network economy as it has been defined here. It is more engaged in “relational processes across multiple scales” (cf. Dicken et al. 2001) through the enactment and negotiation of specific network

by a subsidiary of one of the major firms that also owns multiple aquaculture grow-out sites in the nearby Broughton Archipelago. In interviews, community and business leaders consistently expressed surprise and gratitude regarding the decision to locate the plant in Port Hardy. A commonly articulated sentiment was that “they could do the processing anywhere. They chose here, thank God, and we need it badly” (Interview reference # 12).
connections. This having been said, however, it is important to stress that the firm’s broaching of “multiple scales” is indirect. In other words, while the firm uses its network connections and arrangements to access global wealth, it is not itself a participant in the extra-regional economy. This is the key point of contrast between this strategy (of strategically positioning the firm within the local economic space in order to harness global flows) and the strategy considered next. This second approach aims at direct participation in broader and/or far-away markets. As we will see, this strategy reflects significant new opportunities and constraints in the new rural economy, and suggests a novel approach to understanding the performance of network economies on the geographic margins.

5.4 Reaching Across Space: direct participation in network economies

Each of these cases described above demonstrate entrepreneurial creativity aimed at participating in broader economies. As discussed, however, the key strategy for this endeavour is to address local manifestations of economies that are essentially extra-local. Under corporatism, connections between local and global were achieved and coordinated through the overarching institutions and interests of state and corporation. Now, global movements and flows possess an ‘unruliness’, characterized by the ebbs and flows in the interests and actions of consumers as well as an increasingly flexible and liberalized resource sector. As we have seen, many local firms attempt to reorient their businesses relative to the points where global and local connect within this new spatial economy.

In this section, I discuss a different strategy for the performance of network economies that has emerged in Port Hardy and Bella Coola. This is a strategy aimed at
direct engagement and participation in far-away markets, based on the establishment and maintenance of connections across vast distances. This strategy differs in several key respects from that of ‘harnessing’ local-global flows. First, it involves attempts to forge, extend, and maintain direct connections across vast territories to distant markets. In other words, it involves the extension of influence or ‘presence’ (both of which being loosely defined) directly into wider economic spaces. Second, this strategy is based on the capacity to initiate, sponsor, and/or coordinate movements and flows across scales and territories, rather than relying on their presence or ‘descent’ into local spaces. Bringing these two points together, this strategy involves attempts to navigate the ‘middle spaces’ between local and global economic scales and spaces. As we will see, the experiences of firms in the case communities with this type of engagement with extra-regional economies are complex and varied. Nevertheless, I will argue that discernable patterns are evident in how these economies are performed by local actors.

The strategies and actions typically involved in this form of network performance are illustrated in the following case, which details the experiences of a small fish processing operation in Port Hardy. Like so many others, this firm had originally been founded with the aim of addressing a perceived need within the local economy.

We started the business in 1994. The idea came from the smokehouses we saw in Campbell River and other points to the south. There was nothing in Port Hardy, no place for [commercial] fishers to get a bit of processing done for themselves or their families or friends, or for sport fishers to get fish smoked or iced [before going home].

(Male, Owner of firm, Interview reference # 42)
Following a now familiar storyline, the local market to which the business was tied and oriented collapsed in a very short period in the late 1990s and early years of 2000, throwing the firm into crisis and turmoil.

We had grown a little bit before everything went sour. The [commercial] fishers started taking a big hit with [license] buybacks and [season and quota] restrictions. Then there was the coho [salmon] closures in the 90s. ... We should've gone out of business in 2000. Cash flow and growth levels were too low. … Everybody in town took a big hit, so we took a big hit too.

The diminution of the local market confronted the firm with a difficult decision. Following its original business plan, the business had selected a waterfront location in order to be accessible to the commercial fishing fleet. While the location was advantageous for serving the local market, limitations with the facilities in terms of space and utilities prohibited the business from processing or storing large quantities of fish. The firm was therefore faced with a choice of continuing its embeddedness in the local resource economy, or effectively removing itself from it. The owners took an enormous gamble, choosing to relocate the firm to a commercial mall location roughly a kilometre by road from the waterfront. At the same time, they purposely cut the firm out of the local commercial fishing economy, electing to begin purchasing salmon from major aquaculture firms operating in the Broughton Archipelago.

Fortunately, we don't have to rely on local markets anymore. … When we moved from the waterfront [location] to here [the mall location], that really was the end of it. [Interviewer: The end of what?] Of our relationship with the commercial fishers. … I do feel kind of bad about that, because they're stuck with fewer and fewer options – like having to have [catch] trucked to Vancouver just to get it frozen. … But we get our product from the fish farms now. It's just easier in so many ways. [Interviewer: How so?] It's easy because they land it here in Hardy and truck it out of here anyways, so it's easy to access. … It's [also] just so much easier on the cash flow. We can buy [fish] year-round and get the product out the door.
A big part of this transition away from local markets has involved the development of a standardized product. The core idea behind this strategy was to create a recognizable product and brand that would appeal to retailers and consumers in extra-regional (urban) markets. However, the firm experienced significant difficulties in trying to access this economic space.

We took a risk coming out with a new product. That takes investment. At first, [the product] was being marketed through our own means. ... Through word of mouth and through our reputation with sport fishers. We went to food shows, and after a huge series of headaches we connected with [Distributing Company A]. But that didn't work out. ... So it was actually word of mouth that kept us going – through our old sport fishing clientele. We're really fortunate to be working with a clientele that has the means to buy this [product] this way [by direct order].

What is particularly notable about this experience is that the firm’s first extension into wider markets was performed (although not as a first choice) through an existing network that had actually been built through its former structure and orientation. This network, comprised of sport fishers who had personally done business with the firm in the past, is a social network that bridges local and extra-local spaces. The sport fishing clientele is not ‘local’ in the sense of being place-bound. However, it is a network that has significant connections to Port Hardy. It is a network of ‘knowers’ of the community and of the firm, that through personal relationships characterized by trust, regard, and reputation, has become a conduit for the firm to reach into far-away economic spaces. But while this network was key to sustaining the business in an extra-regional economic space, it also provided new opportunities for connecting with the more stable, organized, hierarchical, and competitive networks of commercial food distribution.

The wholesaling [arrangement that we have now] actually came out of some of our clientele. ... We weren't having a good experience with [Distributing
Company A]. ... They weren’t high on our new product, and so they weren’t guaranteeing buys. [Interviewer: What does that mean?] They wouldn’t guarantee shelf-space or [the ability] to take “x” amount of product. So some of our customers who know how this works contacted [Distributing Company B] and said “you have to carry this product”. ... It seems that when a luxury consumer group like sport-fishers do that, it has some clout.

The connection with Distributing Company B has been a source of stability for the firm. It has granted access to retailers with a year-round interest in stocking the product, which is consistent with the firm’s novel use of aquaculture as a supplier. However, it is also important to recognize that the connection with the wholesale distributor has not been a panacea for the firm. While this relationship has significantly benefited the business, it has also created new problems and challenges. Throughout the interview, it was stressed that the firm continues to struggle with the movement of product into the wider market.

We need to be in that wider market to survive, no doubt about it. But it’s a trade-off. ... Shipping and transportation is now a full time job for us. It’s by far the most labour-intensive part of [managing] the business. ... You wouldn’t believe how much work goes into moving product to market. ... We’re constantly trying to piggyback on local transportation – anyone going Down Island. We do a lot of horse-trading. [When] processors go, we try to share freight. If we had to pay the going rate, we could never compete with the [Lower] Mainland. We make arrangements. We have to or our final costs would be even higher than they are now.

Despite these difficulties, the firm has become primarily reliant on the wholesaling arrangement. While the business is committed to retaining its connection to the sport-fishing network, this is understood to be a secondary or even a non-market activity. This connection is now maintained out of a sense of obligation, reciprocity, and community.
There was a time when we were almost completely reliant on them [sport-fishers]. ... We don't really even need the sport-fishing [anymore], we could survive without it. ... [But] North Island businesses have to look at the community. They have to make sacrifices for the community. It's not just the bottom line. ... That's why we're here and not somewhere else. We want to be here and our kids are in school here. But this business would be a lot easier to run somewhere else.

In summary, I argue that this case is illustrative of three important things about the performance of network economies on the geographic margins. First, the experiences of the firm suggest that the ability of local ventures to reach into extra-regional or global economic spaces is strongly influenced by pre-existing connections across local and global scales. For instance, the firm's first forays into extra-regional economic spaces occurred through personal connections with sport-fishers from across North America, many of whom travel with some regularity to the North Island or Central Coast region for its natural endowments. The presence of this local-global connection was fortuitous for the firm, which originally sought to primarily serve the commercial fishery. Without this link, the business would have had no entry-point to the broader market (either through sport-fishers as 'direct-order' consumers, or to the wholesale distributor that eventually accepted the firm's main product after recommendations from members of this group). Interestingly, the case of the Bella Coola travel agency discussed previously is very similar in this regard, where that firm was able to access the global travel industry (as a subcontractor) through the local-global linkage provided by the new ownership of a sport fishing operation in the region.

Second, this case demonstrates that despite the advantage of prior local-global connections, participation in wider economies is tremendously difficult. While the firm was ultimately able to establish a relatively stable and viable channel into far-away
markets, this only followed significant risk-taking, extensive investments of capital and effort, and a fair degree of chance and good fortune. Throughout the interview, the owner continually referred to the amount of “work” involved in establishing and maintaining connections to consumers and distributors. (“When you start a new business, you expect to work really hard for the first five years or so to get it going. But this is just more and more work. The more clients and customers you have, the more has to be done to get product to them. There’s very little that’s routine here.”)

Third, this case demonstrates that distances have a strong impact on the performance of network connections and movements. On the one hand, the geographic setting of the firm is a distinct advantage, in that it has gained access to the sport fishing network as well as supply from nearby aquaculture operations. But on the other hand, distance presents a real obstacle to the connections and movements that the firm requires to participate in the wider economy. In the remainder of this chapter, I will argue that firms’ relationships to distance – to the ‘middle spaces’ between local and extra-regional markets – are key to understanding how network economies are ‘performed’ from positions of geographic marginality. This assertion requires some elaboration. In a sense, conditions of geographic isolation and physical distances have always been considered a key characteristic of rural economies. This is particularly the case in rural and agricultural economics, which puts significant weight on the costs of transportation and communication in its understandings of rural development (cf. Kilkenny 1998a). However, what this case illustrates is how important social and technological ‘performances’ are to the ability of the firm to reach across space. Specifically, the establishment and maintenance of connections to the wider marketplace hinge on
‘everything going right’ within an elaborate web of social and technological arrangements. These arrangements are crucial but often tenuous (based on “horsetrading” and other forms of negotiation). They are identified by the owner of this firm and in many other cases as being “constant work”. As such, they are central to the performance of network arrangements from the geographic margins.

In the remainder of this chapter, I will seek to both theorize and analyze these particular elements of the ‘performance’ of network economies on the margins. What the above discussion has clearly illustrated is that the act of reaching across space into extra-regional markets is a complex endeavour that is contingent on particular social and technological arrangements. In the next section, I advance a conceptual and theoretical schema to address the conjunction of social and technological networks with the condition of territorial isolation.

5.5 Network Performance on the Margins: the problem of distance

In the following, I advance the argument that the performance of network economies on the geographic margins is best conceptualized as a problem of distance. To be clear, I do not advocate a return to assumptions of geographic determinacy or the ‘tyranny’ of distance over local economic conditions. Instead, I will use findings from interview research in the case communities to advance a unique conceptualization of distance as more than an absolute or static fact of geography or of economic calculation. This conceptualization understands distance to be both an environment-for-action and a powerful actor in economic relationships. I will argue that distance – which I define as the territorial separation of actors involved in the production and/or consumption of
(rural) values – is the conceptual key to understanding how ‘the spaces in between’ local and global influence and pattern local economic action. As we saw in the case of the fish processing firm discussed previously, these middle spaces are tremendously complex, and are actively structured by geographic realities, social relationships, and technological infrastructures (particularly of communication and transportation). Each of these influences (geographic, social, technological) ‘exist’ and operate according to very different principles. However, in combination these create very powerful fields of opportunity and constraint for local actors looking to extend influences across rural spaces. Therefore, I will argue that distances are hybrid environments and actors, whose effects and influences on firms and other actors are both very powerful and highly variable. In other words, the hybridity of distance allows it to be both malleable and forbidding. For some actors, particular combinations of social and technological arrangements allow for effective and routine transcendence or manipulations of distances. For others, however, distance remains a formidable and fundamental barrier to the extension of influence, connections, and mobilities across rural spaces. These discrepancies in the ability to ‘perform’ network economies constitute a fundamental cleavage in the new rural economy, and create novel forms of inequality within the new economic spaces of rural entrepreneurialism.

The argument that I will present regarding the constitution and role of distance in the new, ‘unruly’ economic environment in Bella Coola and Port Hardy is comprised of three core ideas. For clarity, these are summarized in Table 5.1. The first suggestion is that rural distances are best understood as neither absolute nor as purely relational or relative, but rather as ‘performed’. The notion of distance has been largely ostracized
from the social sciences over the past several decades. Among human and social geographers, the notion of distance has long been a primary target in the struggle against geographical determinism and absolutist definitions of space (e.g., Harvey 1969: 210; see Murdoch 1998 for a discussion). On another front, theorists of late modernity, postmodernity, and globalization have written profusely on the annihilation of space (i.e., territorial separation) by time (e.g., Harvey 1989a; Giddens 1990; Cairncross 1997; Castells 2000). This latter movement has understood spatial structures to be primarily *relational* phenomena, or contained within the reach and scope of networks, relationships, or other structures. Thus, according to Sheppard (2002: 312), the standard view of the global economy is that “global space has become so small, fluid, and interdependent that relative location matters much less than place conditions”. This has led to an understanding of networks and network economies where “spatiality paradoxically drops out of the analysis” (Sheppard 2002: 315). For these reasons, notions of distance have remained in the background in thinking about network connectivity and structures. While the presumption that networks are capable of transcending vast spaces is common, very little attention is paid to the mechanics of this

**Table 5.1**

*Three Core Ideas Regarding the Role of Distance in Network Performance From the Margins*

<table>
<thead>
<tr>
<th>Idea</th>
<th>Description</th>
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<tr>
<td>1. Distance performed</td>
<td>That distances are neither absolute nor purely relational, they are performed.</td>
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<tr>
<td>2. Distance enrolment</td>
<td>That the performance of distance involves the ‘enrolment’ of social and technological resources into systems or networks.</td>
</tr>
<tr>
<td>3. Distance hybrid</td>
<td>That distance is a hybrid – it is both an environment-for-action and a powerful actor.</td>
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connectivity and movement (for exceptions, see Graham and Mavin 2001; Hanley 2004; Coutard et al. 2004).

I argue that the notion of distance ought to be moved back into the theoretical foreground of thinking about network economies (particularly on the margins), but in a manner that avoids the absolutist-relational impasse. This hinges on an understanding of distances as performed. The starting point for this discussion is Law and Hetherington’s (1999) assertion that distances are “performed into being” through the mobilization and coordination of multiple actors within and across particular spaces. Law and Hetherington use the historical example of Portuguese trading routes to India to illustrate this position, arguing that the distance between Lisbon and Calcutta in particular simply did not exist prior to the establishment of a routine trading network based on Portuguese naval technologies and colonial ambitions. For all intents and purposes, the two locations had existed in “separate worlds”.

Distance demands communication and interaction. Its very possibility depends on communication and interaction. It depends on joining things up within – and thereby making – a single space. ... Links to other locations [depend on] the work of keeping up the materially heterogeneous links which maintain the mobilities between places, and define their distances (Law and Hetherington 1999: 6).

The assertion that distances are performed implies that their ‘realism’ (i.e., their existence as material facts or ‘things’ that affect relationships and practices) is defined by the actors and actions involved in forging and sustaining connections across space. In Law and Hetherington’s formulation, this performance involved the mobilization of techniques of ship-building and navigation, as well as the political and military capacity to establish imperialist/colonial systems to anchor trade relationships. These systems brought the two localities into a relationship that otherwise did not and could not exist.
Law and Hetherington’s example also touches on the second idea presented in Table 5.1 regarding distance and network performance, specifically that ‘performing’ distance involves the simultaneous mobilization of social and technological resources. Simply put, the act of reaching across space is neither a purely social nor a purely technological accomplishment. Rather, the ability to exert influence across space is a socio-technical achievement. This is immediately evident in Law and Hetherington’s discussion of the Lisbon-Calcutta connection, which was established and sustained by both technological and social (as well as economic and political) arrangements. While this example is ultimately of limited utility for our purposes (as it refers to the joining of localities through highly structured socio-technical “performances” that were controlled in large measure by the Portuguese state), the notion that distances are established and maintained by “joining things up” into networks is crucial. I will argue that in a contemporary, complex economy, performances of distance are plural and highly variable. This means that connections between distant locales are enacted, not within a “single space” as argued by Law and Hetherington, but in plural ways that discriminate among the capacities of actors to access and organize the social and technological resources required to ‘reach across space’.

The third idea advanced in Table 5.1 requires the most thorough elaboration. This proposition suggests that rural distances are hybrid phenomena. The notion of hybridity first gained currency in the sociology of science (specifically within the tradition of Science and Technology Studies – STS). Early writings on hybridity were concerned with the ways in which experts and technologies interact (through scientific methods and

35 This is not to neglect important work on hybridity in feminist scholarship. See in particular Haraway (1990; 1997).
instrumentation) to produce authoritative knowledge and, more than this, to construct systems of understanding and action that wield significant power over time (see Latour and Woolgar 1979). These notions provided a key foundation for actor network theory, which emerged in the writings of Callon (1986a; 1991), Latour (1987; 1993), and Law (1991; 1999) to address a general “problem of heterogeneity” in social structures and interactions. This problem, summarized by Law (1991: 7), is that:

To the extent that ‘society’ is held together at all, this is achieved by heterogeneous means. Or, to put it somewhat more radically, that the social is not purely social at all. Sociology – or at least much of it – knows perfectly well that the social world would not hang together if the natural, the corporeal, the technological, the textual and the topographical were taken away.

According to Law and others, the sociological obsession with defining materiality as purely economic or “distributional” has neglected to address the tendency of objects and technologies to combine and re-combine with human actors to form (variously) stable social structures.

The problem of the social order cannot be solved by social means alone. Structures do not simply reside in the actions of people, or in memory traces. They exist in a network of heterogeneous material arrangements. ... Heterogeneous engineers are, as it were, out there, arranging, ordering, shaping, regulating and (to be sure) seeking to profit from such overlaps. [It must be] understood that heterogeneous engineers – agents, whether human or not – are constituted in the arrangement of these materials (Law 1991: 16).

This particular notion of hybridity addresses how human agency and social systems interact and combine with non-human agencies and systems to produce “social orders”. The key point is that the combination of human and non-human systems yields emergent attributes that cannot be reduced to their constituent parts, they are “translated

36 Other authors writing extensively in this area include Leigh Star (1991), Mol (1994), and Murdoch (1997; 1998)
and transformed" in meeting (Latour 1999: 15). Hybrids are produced through practices, which means that their stability depends on iterations and the establishment of routines (Law 1999: 3-4). These serve to "black box" the contributions of specific social and technological actors, although it also means that hybrid systems are only as durable as the behavioural and/or institutional patterns that they produce (Callon 1986b).

The literature on hybridity is broad-ranging, and within the movement there is significant debate regarding a concrete definition of what is or is not a hybrid. According to some authors, all human and non-human actors are in fact hybrids to some degree (e.g., Law 1994: 33). The logic behind this argument is that all human actions are in some way mediated through technologies or the 'objective' world. But such a position is not particularly helpful for the present goal of developing an understanding of the effects that a hybridized environment (rural distance) has on actions and relationships that crisscross that space. I am therefore sympathetic to Callon's (1991: 140-1) suggestion that a hybrid:

Is any entity that more or less successfully defines and builds a world filled by other entities with histories, identities, and interrelationships of their own. ... Consider, for instance, the case of a nuclear power station. This is a hybrid, a monstrous group which regulates interaction between graphite rods, turbines, atoms, operators, control boards, flashing lights, concrete slabs and engineers. Should we refuse this group the right to be an actor? 'It' transforms everything that is fed to it. Files, bills, fuel, water, skills and budget lines are converted into electrons transported to consumers, taxes paid to local councils, and waste products - which in turn lead to the formation of groups of angry environmentalists.

The first sentence of this quotation is key. Hybrid actors 'define and build a world' that becomes a space in which relationships and practices occur. Hybridity thus involves the simultaneous constitution of a material/social environment and a coherent actor. The
nuclear plant is a highly structured environment that houses intense inter-personal, inter-object, and person-object relationships, but it also transforms each as they move through the hybrid environment and its constituent practices.

This particular conceptualization of hybridity, as environment and actor, has strong relevance beyond the confines of STS and actor network theory (see Dicken et al. 2001: 102; Hudson 2004). It is particularly applicable to economic action, as it suggests that hybrid actors play a key role in creating new economic spaces and then ‘organizing’ the social and technological practices that emerge in these spaces.

A key example of this is found in Urry’s (2000) writing about the rise of “automobility” as a hybridized space.

Automobility is a complex of interlocking machines, social practices and ways of dwelling, not in a stationary home but in a mobile semi-privatized capsule. The hybrid car driver is at home in large-scale movement, transcending considerable distances in order to complete a series of activities within highly fragmented moments in time (2000: 190).

The automobile creates new environments or spaces for action, but is itself a very powerful shaper of the social practices that occur in these spaces. The hybridized space of the automobile is also an actor along the lines of Callon’s nuclear plant.

The car is immensely flexible and wholly coercive. Automobility is a source of freedom, the ‘freedom of the road’, because of its flexibility which enables the car driver to travel at speed, at any time in any direction, along the complex road systems of western societies ... But at the same time such flexibility is coerced, it is necessitated by automobility because the moving car forces people to orchestrate in complex and heterogeneous ways their mobilities and socialities. (Urry 2000: 59).

The automobile is both a setting for social practices of mobility and dwelling, and a coercive actor that dominates these practices. Thus, Urry’s use of the term ‘automobility’ is important. It is not the properties of the car itself that reconfigure
spaces of movement and living, but the "sociality" — the complex of social practices — that has emerged around and through the automobile. Put simply, "the car’s significance is that it reconfigures civil society involving distinct ways of dwelling, travelling and socializing in, and through, an automobilized time-space" (2000: 59). In sum, hybrids create and dominate spaces for action.

Each of the above examples of hybridity involve the mutual enrolment of ‘things’ and practices into “social orders”. Relatively little imagination is required to envision the capacity of Callon’s nuclear plant or Urry’s automobile to be both an environment for action and a coherent actor — to simultaneously create and dominate spaces for action. Initially, however, the application the notion of hybridity to the notion of distance is less intuitive. The materiality or ‘thingness’ of distance is manifested very differently from the nuclear plant or the automobile. Remembering that distance in this discussion refers to the territorial separation of actors, it is obvious that the physical dimensions of distance are much more relative, varying tremendously according to the geographic positioning of actors and markets.

But despite the impossibility of ‘locating’ hybridity relative to a concrete object (such as a power plant or automobile), I argue that distance may be conceptualized in much the same way. Distance is a hybrid actor because it is clearly characterized by heterogeneity, or the combination of human and non-human elements into social orders (cf. Law 1991). On the one hand, territorial separations possess a physical or Euclidian dimension, involving the different positioning of actors separated by ‘mappable’ topographies of land, sea, and air. Equally clear, however, is that these topographies are penetrated, manipulated, and even transcended by both human and non-human networks.
Rural distances are overlaid with technologies whose purpose is to ‘manage’ distance by organizing and ordering it. Networks of roads, telephone lines, and satellite communications selectively compress the time-space realism of distance (cf. Harvey 1989a). Importantly, these compressions are not universal or uniform, but depend on the action in question, the capacities of the actors involved, and the geographic positioning of key network points and relays (cf. Graham and Marvin 2001: 11). Thus, technologies aimed at organizing distances effectively multiply them by rendering them differently ‘real’ depending on the situation and action in question (more on this in a moment). At the same time, rural distances are also patterned by social relationships – some of which are fostered within the local space, some of which at the nexus of local and global (as with the sport fishers), and some of which are forged and maintained ‘at a distance’. As we saw with the earlier case, these social relationships and networks can have a very strong influence on what spaces local actors may access, and how these are managed and manipulated.

In summary, each of these elements (natural, technological, social) vary tremendously depending upon the actor, actions, and geographies in question. As will be elaborated below, this has the effect of multiplying the spatial economies in which local firms are (and can be) embedded. However, in the analysis that follows I affirm Urry’s assertion that the combination of these elements creates an environment that is both “immensely flexible and wholly coercive” (2000: 59). On the one hand, technological advances and political economic restructuring mean that the possibilities for the performance of distance are exponentially multiplied. But on the other hand, the discrepancy in powers to establish durable patterns within the interplay of natural,
technological, and social elements, is becoming a significant problem in rural development.

5.6 ‘Performing Distance’ in Bella Coola and Port Hardy

The capacity to perform distance – to mobilize social and technological resources in order to reach across space and therefore into wider markets – is very important in the post-corporatist local economy. These arrangements hold significant potential for local firms to draw on ‘global’ wealth through meaningful and direct participation in the wider economy of flows and movements (cf. Castells 2000; Urry 2003). As we have seen in the discussion thus far, however, strategies and means for the performance of distance vary significantly. In both Bella Coola and Port Hardy, many firms lack the capacity to reach directly into broader markets, and instead attempt to position themselves to take advantage of existing ‘points of contact’ between the local and extra-local economies. Others, such as the small fish processing firm, attempt to directly reach across space to access these market spaces. On this latter point, however, we have also seen that performances of distance are difficult and challenging, and appear to be highly situational, contingent, and dependent in large measure on chance and good fortune. In the remainder of the chapter, I will present a more categorical analysis of how firms in Bella Coola and Port Hardy seek to perform network economies by manipulating social and technological systems for managing and bridging distances.
The problem of complexity

The collapse of Fordist-corporatist arrangements in the case communities is presenting local businesses with a novel challenge. As previously discussed, under Fordism, corporate and state actors in Bella Coola and Port Hardy stood as mediators between local and global economies, coordinating the extraction and export of regional resources and the (very limited, given the profits involved) distribution of wealth locally through patron-client relations and wages. In spatial terms, the retrenchment of major corporate and state agencies from the communities can be understood as a withdrawal of what Murdoch (1998: 362) labels “spaces of prescription”. Drawing on Callon (1992), Murdoch defines spaces of prescription as “spaces that are strongly prescribed by a centre [that] imposes fairly rigid and predictable forms of behaviour” on actors in a network that is largely controlled by the central agent. Prescribed spaces are “coordinated”.

That is to say, numerous conventions and local procedures exist that create that strange situation in which human beings and technical objects evolve predictably. … And through this unity these networks traverse time and space to tie in localized others. Once these other are tied in then they must (if the network is to be maintained and they are to be included in it) bend to the system of remote control that it employs (Murdoch 1998: 362-3).

In other words, the ‘spaces in between’ the case communities and the larger economic system were not only inhabited by corporate actors, but coordinated and prescribed by them. Under this system, major actors were the key “performers” of distance, configuring the social and technical channels and circulations into and out of local economies and to specific local firms. As this system has collapsed, a novel challenge of network and spatial complexity has emerged for local actors. To illustrate, consider the situation articulated by the manager of a hotel operation in Bella Coola.
When I first came on here [in the early 1980s], the business was about seventy-five percent corporate and about twenty-five percent tourism. The same number of people weren't always coming in year round, but you could count on it happening because that was the nature of their business. Interfor [International Forest Products] would bring corporate people in and around, and so would the [BC Forest Service]. The place would mostly fill up on its own – there was no need to advertise. ... Now, for the past five or six years, the overall ratio is about sixty-five tourism and thirty-five corporate – and for eight months of the year we're at ten percent occupancy. ... And we have to work to get those tourists here, and that's why we founded the [local Tourism Association]. We knew that the community would always be an afterthought if we didn't get our own tourism identity.

(Male, Manager of firm, Interview reference # 121)

In this case, the hotel is dealing with a 'complexity turn' in its clientele and business practices. This involves a fundamental change in the enrolment of actors involved in directing and transporting clientele to the business. Previously, this process was dominated by organizational practices, where government and corporation directly sponsored the travel of employees and contractors. This sponsorship ranged from determining the destination (travelling to this community as a condition of employment) and presumably by directly paying for travel and accommodation. In this respect, flows of people and capital were directly channelled from point A to point B along relatively predictable arrangements of time (work schedules and seasons) and space (from offices primarily located in the urban areas of Vancouver and Victoria and into 'the field'). These processes reduced the complexity of spaces 'in between' by establishing and maintaining routines and 'routes'. While these corporate travel arrangements involved the configuration of natural, technological, and human actors and elements, the degrees of freedom available to each type of actor were minimized by the direct involvement of and control by overarching institutional structures.
In contrast, the movements of the tourists on which the hotel now relies are complex and seemingly chaotic. Points A and B are not determined by routines, and movements between them are not sponsored. Also open to variance are the technological means of travel, as well as the methods by which information about the community (or the hotel) is communicated (except by the Tourism Association, a fact to which I return later). It is telling that the manager talks about the attraction of tourists as ongoing "work" (in much the same manner as did the owner of the fish processing operation in Port Hardy with reference to the movement of goods). It must be accomplished over and over again, by reaching across space to make connections to unknown persons. Returning to the language used by Murdoch (1998: 362), this a case whereby spaces of prescription are being replaced by "spaces of negotiation". These latter spaces are "fluid, interactional, and unstable". Whereas the structures and movements built and coordinated by corporation and state were characterized by a measure of durability, stability, and predictability, those that characterize the new entrepreneurial economy are much more unstable and unruly. The degrees of freedom involved in movement across distances are exponentially multiplied, where the channelling of actors (in this case tourists) living in places across British Columbia, North America, and the globe, into local spaces is a moment-by-moment, situation-by-situation activity. Establishing and maintaining connections across rural distances now demands constant "work" to mobilize chains of actors that are different for each 'moving tourist'. These mobilizations therefore tend to contingency, ephemerality, and dissolution (to "disorders and ambiguities" - Yeung, 2003: 450) rather than stability.
The transition from prescribed to negotiated spatial arrangements and movements has had contradictory impacts on local firms. On the one hand, the (forced) trend toward firms directly negotiating connections to extra-local actors and/or movements to distant markets is creating significant opportunities for businesses to directly participate in broader markets. This is the “immense flexibility” of engagement with hybrid spaces/actors as described by Urry (2000: 59). By directly negotiating the social and technological means for bridging distance or reaching across space, firms (in theory) have the potential to access and draw on a vast market. This was certainly the case for the Port Hardy fish processing firm, which marketed and moved product across vast and varied landscapes (within the province, the nation, and into the United States) through its ability to negotiate each movement (to “horsetrade”), whereas reliance on a more prescriptive network space (“the going rate for freight”) was prohibitive.

On the other hand, the rise of complexity and negotiated spaces is deeply problematic for local firms. It is no accident that both the hotel manager and the fish processor refer to the efforts to reach across space as constant “work”. This is the other side of Urry’s coin, where the same systems that allow flexibility are also in a real sense “wholly coercive”, establishing new social practices that are very demanding. Thus, the decline of durable and predictable socio-technical systems for bridging territories (distances) and scales (local and global wealth) presents local firms with both tremendous opportunity and a problematic burden. The complexity of the emerging entrepreneurial space means that many firms have to take continuous risks. These risks include investments in reorienting the firm (or just keeping the doors open) in the hope of an eventual and often near-accidental breakthrough into the wider economy (as was the case
with the Bella Coola travel agency). For those businesses that attempt to strategically position themselves relative to existing local-global connections, it involves the risk that these flows will continue – that the chaotic movements of tourists or the market/contract arrangements of the resource sector will continue to ‘touch’ the place and firm. For firms that have been more aggressive in purposely pursuing outside markets, the key risk is that these businesses are building economic systems and arrangements based on their future capacity to negotiate movements and connections. Returning to the fish processing firm, this business has built a system of supply, production, and marketing that hinges on the ongoing capacity of the firm to favourably negotiate transportation based on social networks, trust and reciprocity. Thus the spaces of complexity and negotiation opened up in the local economy by firms’ new engagements with the ‘middle spaces’ of the rural economy, are also spaces of risk, stress, and “constant work”.

Local strategies for countering complexity

The discussion thus far has demonstrated that local performances of distance – of the socio-technical networks involved in reaching across territories – both benefit and suffer from the conditions of complexity that characterize these spaces. Specifically, the bridging of rural distances by local actors is typically contingent and situational, and must be performed and negotiated over and over again with each connection to a particular consumer or group. Following this, I will argue that local firms seek to counter this complexity and contingency through various strategies that are aimed at stabilizing network spaces and performances; in other words, that are intended to establish and/or
plug into' stable and durable socio-technical means for managing or configuring hybrid distances.

Three strategies in particular are evident among firms in both Bella Coola and Port Hardy, and these are summarized in Table 5.2. The first strategy involves attempts to associate the firm directly with actors that are more capable of performing prescribed spaces and movements. This strategy typically involves the firm partnering with a larger entity and granting the extra-local actor significant control over how the firm relates to the global space, in exchange for a reduction in uncertainty and responsibility for 'reaching across space'. The second strategy involves attempts to create entirely novel socio-technical systems from the ground up. This is an ambitious approach, as firms engaged in this strategy typically attempt to lever limited resources into durable socio-technical systems for reaching distant markets. The third strategy involves attempts to coordinate local efforts and activities with the aim of acting strategically and somewhat collectively within these complex spaces, often by trying to reach key actors and systems at the global scale that are able to affect broad movements and flows into the region and community.

Each of the strategies in question aim to establish a degree of stability, predictability, and durability in relations and exchanges between local and extra-local economic spaces and scales. As such, each is an attempt to simplify the performance of distances – to pattern and configure the complex movements of people and goods – specifically through attempts to implement social and technical systems that can be repeated and extended through time and space. In other words, these are strategies aimed at reducing the complexity of the 'global' space now confronting rural actors – of
reducing the imperatives of negotiation, or at least concretizing negotiation so that it is less “work”, or less integral to the day-to-day operations of the firm.

Table 5.2
Strategies Among Firms in Bella Coola and Port Hardy for Stabilizing Network Spaces and Performances

<table>
<thead>
<tr>
<th>Strategy</th>
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<tr>
<td>To associate the firm directly with extra-local actors or networks capable of performing ‘prescribed’ spaces and/or movements.</td>
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<tr>
<td>To construct entirely new socio-technical systems to repeatedly engage (limited) extra-local markets.</td>
</tr>
<tr>
<td>To mobilize local actors and resources in an attempt to coordinate the strategic use of distance-bridging technologies, and/or to reach key actors and systems that operate at a global scale.</td>
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The first strategy – of associating the business directly with an extra-local actor or network capable of coordinating and prescribing spaces – has been attractive for local firms in large measure because it absolves businesses from the responsibility of performing distances directly. Simply put, several firms in Bella Coola and Port Hardy have responded to the collapse of corporatist arrangements in the *local economy* by seeking out new corporate partners or associates in the *extra-local or global economy*. As with traditional corporatism, the local firm then relies on the larger but distant actor to configure and coordinate flows and movements into and out of the local space – in other words to prescriptively organize the middle spaces of the rural network economy, or those social and technological coordinations and configurations involved in moving capital, persons, and/or goods across scales and territories.

To illustrate, consider the case of a firm in Bella Coola offering helicopter services. Like so many others, this business lost its traditional clientele following the
withdrawal of corporate resource firms from the local economy, and has been scrambling to reorient the firm and find new sources of income.

At one time, this company was a lot bigger because of the support we got from forestry. ... Our clients were forestry business clients. Almost exclusively. We would transport loggers and engineering crews all over the region here. ... Now the forestry work is really limited. We still do it from time to time, but it’s less than ten percent of our business anymore. ...

Tourism was the way to go, we figured that out pretty quick. ... But you could wait forever for a tourist to walk in this door. Helicopter work is very expensive. I can count on one hand the number of times that someone’s been driving by and just spontaneously thought ‘let’s get a helicopter tour’. ... No, our market needs to be people planning this in advance.

(Male, Manager of firm, Interview reference # 101)

The manager went on to describe the various ways that the firm has attempted to reach ‘people planning this in advance’. A small proportion of this new clientele comes through local networks and referrals. (“It’s very rare that we get a knock at the door. When we do, though, it’s usually from people who are visiting family here. They have some time on their hands and want to see the place”). Most of the current clientele, however, comes from the venture’s new association with extra-local specialty travel firms.

For us to keep on going we need to get [both] summer money and winter money. There are two groups for that – summer sport fishers and winter skiers. ... So we started thinking about marketing for those. But it’s so difficult, as a small operator. ... We did little bits here and there [for both fishing and heli-skiing] until we got on the radar of the big guys. ... We also have [a business relation in another part of the province] to thank for this, because he does similar stuff there and got these guys interested. Now things are pretty regular. When people book for us, they’re not booking with us – it’s almost always through a parent company. [These firms] do all the marketing for us – I mean they market our services! But the point is that these [tourists] fly into [the airport] here, we pick them up right away, and out we go. To rivers or mountaintops, depending on the season.
In this case, the firm’s association with the “parent companies” is crucial for the regular movement of capital and clientele into the firm’s local space. While this arrangement comes at a cost (“It seems like we’re doing so much more, but we’re just doing OK – we haven’t grown”), the capacity to access the prescribed spaces and performances offered by the larger tourism firms is understood to be a tremendous benefit to the business. Without these external capacities to access markets, coordinate movements, and draw on other businesses (such as commercial and charter airlines, guides, suppliers, and lodges), the manager of the local firm did not believe that the business could draw enough regular income to support its six employees year-round.

The second strategy among local actors to stabilize network spaces and performances is to construct entirely new socio-technical systems and networks for bridging distances. This strategy is well illustrated in the case of a second small fish processing operation (completely separate from the processor discussed previously, but whose experiences are in some ways parallel). This firm also offers services to sport-fishers vacationing in the area, as well as producing its own brand in hopes of retailing these products in extra-regional markets. As with the processor discussed previously, this venture struggles to serve a geographically dispersed network of individual consumers. To reach these, the firm generally relies on courier and regular post, which is almost prohibitively expensive in small orders.

We knew from the beginning that we couldn’t survive [just on that]. But when you get into a business, you just go out and go to business yourself. We’re not professional marketers here. We have a good product, and you go sell it.

(Male, Owner of firm, Interview reference # 151)
In an attempt to achieve a more stable market, the owner of the firm has laboured to establish a remarkably far-flung network of regular organizational buyers, including tourist-oriented high-end restaurants and specialty food stores throughout rural areas of the province. This network was established in person by, in the words of the owner, “loading up my truck with product and driving the highways looking for stores”. As such, this firm’s approach differs from the other processor, which sought to access urban markets through the intermediary role of the distributing companies.

The Vancouver market is pretty much closed to us. There are too many companies working in that market [that] we can’t compete – we’re nothing special in that market except to the people there that know us [and who we ship to directly]. ... But the local market’s [also] closed to us – restaurants and grocers don’t buy local because of the cost. ... So we had to build our own market out of paying attention to how tourism happens in other parts of the province. ... So we have a lot of buyers that are roadside giftshops or other stops ... or those fancy tourist restaurants you find in some of these small towns.

Once these connections have been made to these retail sites, the firm uses the (sole) local courier service to regularly deliver small amounts of product to these outlets. This process is labour intensive and expensive, but provides the firm with some stability, predictability, and durability in the movement of product to market. By establishing very specific and limited systems for bridging distances into extra-local markets, the firm has been able to survive and grow despite both the urban and local markets “being pretty much closed to us”. At the same time, however, the establishment and maintenance of these systems has been stressful and exhausting for the owner of the firm.

It's the stress of making ends meet from day to day that really gets you. I'm not sure I would do this again. It's a lot of work. ... You have to be so dedicated and prepared to work [in order] to survive. It's a constant struggle – getting shit paid for and fighting not to go backwards.
The third strategy engaged by local actors to stabilize network spaces and performances is to mobilize and coordinate activities at the local level. Specifically, this strategy involves drawing on local resources in an attempt to coordinate the strategic use of distance-bridging technologies, and/or to reach key actors and networks operating at a global scale that are able to affect broad movements and flows into the region or community. To illustrate, let us return to the example of the hotel operation discussed previously. This firm is faced with the challenge of attracting a 'chaotic' clientele of free agents who dwell in many different spaces and places across the globe. The manager tellingly identifies the task as continuous “work”, which is very different from the prior circumstance where corporate structures channelled bodies into and out of the establishment. However, this work is assisted through the establishment of a local Tourism Association (“we have to work to get those tourists here, and that’s why we founded the [local Tourism Association]”).

So what is this Association, and how does it facilitate the work of ‘ordering’ complexity? First, the Association is a community-level network of persons, businesses, and technologies. While the Association has existed since the early 1980s, it was re-invented in the late 1990s by a small network of local tourism operators. Members of the revamped network provide support for one another, referring clients to different services and activities in the community. However, the network is also outward-looking. The group applied for, and received, funding from a government rural development program to produce communication materials, specifically pamphlets and a website. In doing so, it mobilized technologies and created ‘things’ to broaden its capacity to connect with

37 The analysis presented is gleaned from interviews with five highly active members of the tourism association.
potential clients. Through this process the network of persons grew and differentiated. Some persons joined the network only in the sense that they purchased advertising space for their businesses in these communications. Others became more directly involved in the mutual referral arrangement. Immediately, we see how the Association as a social and technical network begins to pattern and channel movements across distance. Communications are ‘bundled together’ or packaged, as are (potentially) the activities and movements of tourists.

Generally speaking, the purpose of the Association (as both a social and technological network) is to create stability and durability in a space dominated by complexity. This is achieved in three way. First is through the immediate technological ‘products’ of the association – the pamphlets and website – are designed to be what Latour terms “immutable mobiles” (1987: 227). These are durable communications that are transferable and transportable through space (and time); they can be referred to over and over again, by multiple people. These communications are meant to be stable reference points for bodies-in-motion, and are considered by members of the Association to be a significant achievement and assistance to the local tourism economy. Second, the Association also tries to mobilize social resources to create durability. In the words of one member:

[The Association] brought out a spirit of cooperation, which is new. Our aim now, as a group, is to make sure that people have a good time here no matter where they stay or what they’re doing. That’s how you get more people to come [to the community], and that’s better for all of us.

(Female, Owner of firm, Interview reference # 131)
The network is attempting to create a referral base among ‘knowers’ of the community. There is a strong belief among members that word of mouth recommendations are key to “steering people towards Bella Coola” (Interview reference # 111). The benefits of creating immutable mobiles and of the efforts to establish a word of mouth network are difficult to judge. In a sense, these forms of reaching across space are weak, in that they have little direct influence on the movement of consumer-tourists. They provide information, imagery, and suggestion to the wider market, but their influence on spatial arrangements is not evident. These spatial arrangements are fluid, and must be continually “negotiated” (cf. Murdoch 1998: 362) as part of the intense ongoing “work” involved in drawing tourists to the community and to specific businesses.

This contrasts with the third approach that local groups such as the Tourism Association attempt to create durability in complex spaces of movement. This involves efforts to ‘plug into’ powerful existing networks that, more like the corporate arrangements prior Fordist era, directly or indirectly channel movements. Consider the following exchange (between persons A, B and C) at a community meeting concerning tourism development.

A: [Europeans are a significant] part of our market. They come in specifically … to see the space and place of the [region]. These are the people that we need to get in here. It’s a destination for them when it isn’t for most tourists who are just coming through.

B: We have this nice pamphlet – and it’s very nice. But the point is that it can sit in someone’s glovebox if they pick it up [at the tourist information booth] at William’s Lake for years. Or right into the trashbin. … But if we can get some travel agents – especially in places like Europe because, like [A] said, those travellers are big spenders – to see them and use them, then when someone comes in [to the travel office] and says “I’m planning a trip with my family to see BC wilderness”, they look in the file or on the
shelf and it’s there. They see [our community] and know what’s here, where to send them.

C: And how many times would you need that to happen? How many rooms do we have here? If a tour operator sends five families a year to BC, how many operators do you have to reach with that pamphlet?

B: Well, not many. But the point is to make them use it. I don’t know how they would [be made to use it]. ... But if they do use it, it means more to us than the person on the highway.

Here, the connection across networks, from the local Association to the travel agent office, “means more to us than the person on the highway” because of the stability and potential for durability offered by contact with that network. The connection to the person on the highway, or in their home via the website, is situational or ‘weak’. In contrast, access to key actors in the international travel and tourism sector is understood to be a means of more reliably channelling movements in complex and contingent Post-Fordist spaces (where performances of distance are both highly variable and ephemeral). While the connection to other established networks does not create certainty on par with earlier corporate sponsorship of movement, it does create a relatively stable socio-technological channel for crossing distances that can be used multiple times. It is a relatively durable pattern in a field of complexity.

In summary, performances of distance among local firms in Port Hardy and Bella Coola have been shown to vary significantly, but also to follow distinct patterns. Both the variance and patterns in these performances relate to the emergence of a new ‘problem of complexity’ confronting local businesses. Following the collapse of corporatist arrangements, many local firms are now required to navigate the unruly spaces of an entrepreneurial economy. This reality puts significant emphasis on the
capacity of actors to configure the 'realism' of the territories and spaces in between local and extra-local, specifically through the mobilization, configuration, and 'ordering' of social and technological elements into 'systems' of (varying) durability.

The problem of complexity is multi-dimensional and ambivalent. On the one hand, it creates new opportunities for geographically marginalized actors to participate in broader markets. On the other hand, the interview research demonstrates that an open field is not inherently 'good for business', and that rural firms labour to establish predictability, durability, and repeatability within spatial negotiations. In this respect, Urry's (2000: 59) assertion that hybridized spaces are simultaneously "immensely flexible and wholly coercive" is central to understanding how these network spaces are performed on the geographic margins. The strategies engaged by local actors can be understood as ways of countering both tendencies in the network economy. Against the unruliness and complexity of an entrepreneurial economy, local actors labour to establish durable and predictable systems for channelling connections and movements across spaces. Against the coercive tendencies of network spaces (the miring of firms in an economic system in which they have no 'place' and must continuously "work" to access and participate), local actors make (limited) assertions of influence and control. This can be seen with the fish processing firm, which, after finding both local and urban markets closed to its product, labours to open one in the rural spaces of the province. It is also evident in the strategies of the local Tourism Association, which attempts to force a way into the global tourism network by means of collective action.

Despite such strategies and actions, the ability of local firms to wield power and extend influence in the hybridized spaces of the rural network economy is questionable.
In the remainder of this chapter, I briefly consider the particular power imbalances that manifest in the rural entrepreneurial-network economy, and specifically in the capacities of local and extra-local actors to perform rural distances. I will argue that as 'distance bridging' becomes more and more central to local economies and actors, these processes also emerge as a key site of inequality, both within rural economies and between these and more urbanized settings.

5.7 Power and Variance in Performances of Distance

A particular strength of the conceptualization of network- and distance-performance advanced in this chapter is its emphasis on both the actor and their situation or circumstances. On the one hand, this approach is clearly actor-centred. By conceptualizing distance as a hybrid environment, the analytical onus shifts in large measure to the individual or organizational actor, whose 'network performances' vary according to that actor’s capacities to configure the social and technological elements that channel and mediate connectivity and/or movement across territorial separations. As we saw in the cases discussed above, discrepancies in actors’ capacities to perform distance are a key source of both opportunity and inequality in the new rural economy, where ‘successful’ performances yield (at least partial) access to the wealth of global economies. On the other hand, this approach also acknowledges the real impact of circumstance and situation on actors’ capacities to perform distances and network connections. By emphasizing the social and technological elements involved in performing distances, we are prompted to look critically at the availability of socio-technical ‘raw materials’ that inhere in different places and spaces.
To elaborate this latter point, I turn to another concept developed by Urry, that of “scapes”, which derives from the word landscapes (see also Appadurai 1990).

Scapes are the networks of machines, technologies, organizations, texts and actors that constitute various interconnected nodes along which flows can be relayed. Such scapes reconfigure the dimensions of time and space. The following are the main scapes:

- transportation of people by air, sea, rail, roads
- transportation of objects via postal and other systems
- wire and co-axial cables
- microwave channels used by cellular phones
- satellites for radio and television
- fibre-optic cable for telephone, television and computers

(Urry 2000: 35)

In other words, scapes are the infrastructural basis for connectivity and movement across space. Scapes pattern flows and movements by establishing series of relays and access points. As such, they are part of the structure of connectivity in which particular places are embedded. The distinction is important: scapes themselves are not performances of distance. Rather, they offer particular opportunities (or lack of opportunity) for performances of networks and distances. They are necessary but not sufficient means for actors to extend influence and/or participate in distant economies.

Scapes are therefore key elements of the circumstance in which actors are embedded. For instance, scapes are fewer and more limited in rural as compared to urban settings. Connections by road and air are less numerous and flexible, and some scapes are simply absent (such as cellular communications in remote regions). As such, opportunities for rural actors to perform distances are more limited. As we have seen, they must struggle in order to maximize particular ‘channels’ into the broader economic space. According to Urry (2000: 35):
Between certain nodes along some scapes some extraordinary amounts of information will flow – of financial, economic, scientific and news data and images, into which some groups are extremely well plugged-in while others are effectively excluded. ... This creates novel inequalities of flow which are constituted as ‘tunnels’, as opposed to [traditional] inequalities of stasis (Urry 2000: 35).

The notion of scapes suggests that there is a structural dimension to the performance of networks and distances: that the presence, absence, and organization of key infrastructures has a deep influence on the capacities for ‘global’ action in particular places and across particular spaces.

The importance of ‘structures of connectivity’ is evident when we compare how network economies are performed in privileged (urban) and marginal (rural, remote, peripheral) places. Much of the urban-based literature on economic globalization highlights the ubiquity of social and technological networks as a basis for economic action and organization. For instance, Wittel (2001: 52) argues that “the emerging network sociality” (or “the manner in which people and organizations build, maintain, and alter ties ... in the network society”) is based primarily on freedom, choice, and scope. Individuals and organizations are embedded in technological landscapes that offer near-infinite opportunities to connect globally. This promotes a sociality (in business and in personal life) that is “[based on] ‘on the move’ technologies and relationships” (Wittel 2001: 70). It is based on scope of connections (the reach of networks across places, groups, professions), and the flexibility of connections (the ability to ‘tailor’ connections to particular needs or ends).38

As demonstrated throughout this chapter, the sociality of connectivity and movement in marginalized places is very different. Where the social and technological

resources that inhere in scapes, infrastructures, and places are more limited, the act of reaching into global spaces is much more difficult – involving, as we have seen, intense risks and continuous efforts; where singular connections into extra-regional economic spaces can rule the short and long-term fates of individual firms. Therefore, while it is inappropriate to assume that rural and/or peripheral spaces are excluded from global connectivity (that they are “black holes” in the network economy, as suggested by Castells 1998: 165), these are places where the performance of network economies exhibit fundamental differences from urban spaces. The structural inequalities in the ‘raw materials’ of connectivity and movement play a key role in differentiating places and spaces in the network economy (I return to this in the concluding chapter to follow).

While different places benefit and/or suffer from their positioning relative to dominant scapes and other social and technological materials of connectivity, the schema presented in this thesis, which considers networks as performed within a hybrid environment, also puts significant analytical emphasis on the actor. The idea that the geographic positioning of actors relative to markets yields particular economic advantages and disadvantages is not new, and has been a longstanding axiom in economics and economic geography (cf. Krugman 1993; Redding and Venables 2002; Wallace 2002). But conceptualization of distance as a hybrid actor and environment dramatically expands this notion by stressing that spatial separations are “performed” differently according to the capacities of actors to configure the natural, technological, and social elements that channel and mediate networks. This conceptualization of space and distance is fundamentally actor-centred. It understands that geographic positioning is a tremendous advantage in economic action. It also accepts a core assertion of social
geography: that the spaces that separate localities are relational – they are patterned by relationships of production, class and gender, and by powerful institutions such as the state, corporation, and family (cf. Massey 1994). But where the conceptualization of distance as a hybrid actor differs from these is in its emphasis on the manner in which space ‘behaves’ differently according to the capacity of specific actors to configure the human and non-human elements (natural, technological, social) that govern specific connections and movements across space. Therefore, the present approach considers the capacity of actors to operate within the hybridized environment of rural distance to be the primary source of variance and advantage in the ‘entrepreneurial’ rural economy. Simply put, actors that are best able to configure distances (to establish stable and/or durable patterns, to access or configure networks, to maximize existing scapes) will be at a significant advantage within an increasingly diverse and “unruly” rural economy.

This raises questions about the impacts of distance on different types of firm operating in the local economy. To illustrate, let us return to the case of the small fish processing operation discussed previously that found itself unable to access either the urban market in Vancouver or the local market in its home community. The closure of the local market to this firm reflects the deep divisions that exist between the capacities of corporate and ‘entrepreneurial’ actors for performing distance in the periphery. It was demonstrated earlier that the collapse of corporatist structures in the local economies of Bella Coola and Port Hardy has deeply affected many local firms through the withdrawal of ‘prescribed spaces’, or those highly structured social-technical arrangements that circulated capital and bodies through the communities. To be clear, however, prescribed spaces continue to play a strong role in the local economy. For instance, the isolation of
the local fish processing firm from the local economy has occurred because local restaurants and grocery stores are better served by distributors operating out of the city of Vancouver, despite its being nearly one thousand kilometres distant by road. These urban-based distributors function through heavily prescribed spaces. They have access to and a significant degree of control over overlapping networks of firms (brokers, warehousers, grocery chains), persons (fishers, truckers) and technologies (inventories, roads, telecommunications) that allow them to pattern this territorial separation in a way that trumps the adjacency of the small operator.

We'd love to sell to the local restaurants, but they don't buy anything local, and that's because of the cost. They can get it cheaper from outside. Remember, for us to get fish to the restaurants, which aren't far away, we still have to load it onto a truck and drive it there. That's a big cost. ... Once you put something on a tote, you might as well put it through to Vancouver [to the fish brokers]. When you have to move it up the road ten miles, it might as well go a thousand.

(Male, Owner of firm, Interview reference # 151)

In this case, the distant corporate actor is better able than the local firm to configure the distances between the points of production and consumption, despite the fact that the local firm is (in absolute terms) much 'closer' than the corporate distributor. The alternative, as discussed earlier, is that the local firm operates in an entirely different spatial economy, 'exporting' the vast majority of its product outside of the community into other rural areas. The small operator relies on a remarkably far-flung network of regular buyers, including tourist-oriented high-end restaurants and specialty food stores in other small communities across the province.

This direct comparison illustrates deep discrepancies in the power of actors to perform rural distances. The small producer and the large distributor literally occupy and
move across the same spaces and landscapes. Both firms rely upon the coordination of human and non-human actors that are embedded in ‘the spaces between’ production and consumption. In this case, however, the corporate actor is more capable than the local firm of enrolling technological and social actors into stable, durable, routinized, and predictable networks that configure and channel movements across rural spaces. Both firms are engaged in the rural network economy, and both involve economies of scope rather than scale (profiting from reach and flexibility rather than volume). However, while both firms reach across the same spaces, the contrast in the ‘realisms’ of distance evoked in these performances is significant. Returning to Murdoch’s terms (1998: 362), the corporate distributor is able to render these spaces “prescriptive” (they are stable, routinized, and predictably managed), to the point that their effects on market behaviour and exchange are minimized. For the small producer, these spaces must be continually “negotiated” (they are weak and fluid), where performances of distance are contingent, situational, and logistically difficult. In understanding distance to be a hybrid actor within these networks, clear discrepancies and differences emerge in the performance of connectivity across space.

This suggests that local firms may find themselves doubly disadvantaged in the network-based rural economy. While the transition away from corporatism and the emergence of new infrastructures and scapes in rural territories have opened up significant opportunities for locally-based firms to participate in wider economic spaces and markets, actors on the margins confront significant disadvantages of situation and capacity. These disadvantages relate to the risk, effort, and ‘work’ that are demanded of rural actors to establish and maintain participation in extra-regional economies. As such,
it is important to recognize that the emerging network-based spatial economy in rural British Columbia is laden with inequalities and deep discrepancies in the ability to act and extend influence over space. This poses difficult questions for the future of rural development in this province, as the role of locally-based firms in local, regional, and global economies remains unclear.

5.8 Summary and Conclusions

This chapter has considered the plight of local firms as both victims and agents of the spatial transformation of the local economies of the case communities of Bella Coola and Port Hardy. As we have seen, the collapse of corporatist structures and arrangements in the local economic spaces of these communities has forced a massive reorientation of the local economy in a very compressed time period. The end of corporatism has isolated the communities from traditional sources of wealth, and severed the primary link between local and extra-local economic spaces. For some firms, this blow has proven fatal. The stories of those that have survived and reoriented their businesses to new markets and functions are in many cases remarkable. They typically involve staggering risks, creativity, determination, and no small amount of good fortune. While these experiences vary significantly, it is possible to identify and analyze trends within the strategies and outcomes of these efforts. This has been done with particular attention to how these are spatially recasting the local economy – bringing it (in some ways) into more direct contact with broader and distant economies.

Foremost, the research presented demonstrated that the economies of Port Hardy and Bella Coola are increasingly network-based. According to the relational definition of
network as advanced by Dicken et al. (2001), this means that local firms are becoming more reliant and engaged in "intense relational processes that occur across multiple scales". However, we also saw that local strategies for engaging these multiscalar relations vary considerably. Many firms have attempted to position themselves strategically within the local economy, but relative to existing 'points of contact' between extra-regional or global flows and the community. I argued that while this strategy, which is most common in the tourism sectors of both communities, has allowed some firms to grow and prosper, it casts local firms into a very fragile relationship with global flows and movements. The language used by firms that are directly dependent on flows that are coordinated or determined by distant others reflects this fragility (for instance, the sentiment that "we’re just a transit point … [and that’s] not really a tourism economy, is it?").

This contrasts with a second common strategy for multiscalar engagement, which involves efforts to directly participate in broader or far-away markets by actively reaching across space. This particular strategy reflects the deep challenges facing local actors in the post-corporatist rural economy. To analyze the opportunities and constraints involved in this form of network activity, I advanced a conceptualization of network performance in and from the geographic margins. This involved the development of an understanding of how the realism or materiality of the 'spaces in between' local and extra-local economies are patterned by the particular combination of physical geography, technology, and social resources that are enrolled by actors in their attempts to reach across space. By conceptualizing distances as hybrid environments and actors, it is
possible to address how they are differently performed, enacted, and configured by different actors embedded in different circumstances.

This schema sheds light on some of the key difficulties facing local actors in their relationships with broader economies. Specifically, it addresses the intense labour, risks, effort, and chance that goes into the performance of network economies on the margins (what Thompson (2003: 7) terms "the 'work' of networks"). This schema significantly clarifies the counter-intuitive reaction of local businesses to 'the problem of complexity', or the difficulty that firms have in navigating the ostensibly free market spaces into which they have been thrust. By understanding distances as performed, the value of stability, durability, and repeatability in network connections and movements becomes more clear. While new technologies and scapes have opened up significant opportunities for local firms to access broader spaces, rural actors labour to impose some order and predictability on their relationships with extra-regional markets. As we have seen, strategies for this include establishing relationships with 'parent' or umbrella firms that are better able to coordinate and configure movements across rural spaces (that are better able to "prescribe" network spaces), efforts to construct (limited) socio-technical systems from the ground up, and efforts to mobilize local social resources in attempts to collectively plug into global networks that have more influence on movements across space.

The experiences recounted in this chapter reflect the new realities of the rural economy in coastal British Columbia. In a sense, the local economies of these communities have been made 'less local' following the collapse of corporatism and the emergence of a more diverse, entrepreneurial, and unruly economic condition. What this
chapter has demonstrated is that local firms are very capable of navigating these new economic spaces, drawing on creative, social, and technological resources to actively and effectively reach into broader markets. What is also clear, however, is that these capacities are not evenly distributed. While this is true in any economy, the unique barriers to network performance on the margins overlays these achievements with troubling instances and suggestions of inequality. This suggests new problems and dilemmas of rural development to be considered in the concluding chapter to follow.
Chapter 6

Conclusion: The New Landscape of Development in Coastal British Columbia

The rural coast of British Columbia is undergoing a tremendous economic transformation. While the region has a long history of cyclical periods of boom and bust, the current moment is dramatically discontinuous with prior experiences. As has been demonstrated and discussed throughout this thesis, rural British Columbia is presently experiencing the near-complete dismantling of established arrangements for the governance of resource and local economies, as well as the simultaneous institutionalization of new relationships among senior governments, major corporate actors, rural communities, and local firms. These changes are fundamentally altering the spatial economies of resource production and of community-level economies in the vast hinterland of the province.

In this concluding chapter, I review the core arguments made in this thesis to address what I understand to be an emerging problem of rural development in British
I will argue that the current movement towards the liberalization, intensification, and multiplication of economic spaces in the periphery—a movement that manifests across governments, corporate actors, communities, and local firms (albeit very differently in each case)—threatens to entrench deep inequalities in British Columbia’s rural economy. I argue that new inequalities are emerging across two dimensions. The first, and most serious, involve new inequalities across space (based primarily on the implementation of separate development strategies for corporate-resource and community-based economies). The second dimension is less severe, involving new inequalities within local economies (based on the emergence of plural local strategies for local-global relations). These trends are troubling, in that they suggest that different rural territories, communities, and actors are being committed to different trajectories of development. However, this pluralism also suggests that possible economic futures for the region remain remarkably open-ended.

6.1 Inequalities Across Space

The restructuring of British Columbia’s rural economy is a multidimensional phenomenon that has been underway since the crippling recession of the early 1980s. The root causes of this movement have been thoroughly considered by traditional economists (e.g., Pearse 2001; Zhang and Sun 2001), as well as by critical political economists and economic geographers (e.g., Marchak et al. 1999; Hayter 2000; Cashore et al. 2001). These analyses have established that British Columbia’s Fordist, high-volume resource economy has reached its environmental and economic limits. In the new, increasingly global economic environment, BC producers now are having
significant difficulties competing in the mass undifferentiated commodity markets that they once dominated (Burda and Gale 1998). As a result, resource firms have sought to restructure operations and labour arrangements in pursuit of greater flexibility in volumes and types of output (Hayter and Barnes 1997a).

In this thesis, I have argued that these well-documented phenomena are one aspect of a more fundamental transformation in the structure and practice of rural economies in the province. This transformation involves the deep restructuring of spatial economies in rural British Columbia, or the manner in which value and wealth are derived from the organization and manipulation of spaces. It is important to recognize that, above all, this reorganization of economic spaces in the periphery is an intentional political strategy. It is the result of decisions among the governments of British Columbia and Canada to abandon longstanding strategies for development (based on the principles of spatial Fordism, spatial Keynesianism, and local corporatism – cf. Jessop 2002; Brenner 2004), and pursue new strategies based on spatial liberalization, local entrepreneurialism, and market- and network-based forms of state intervention in rural economies.

The aim of the “rolling back” of traditional state influences and regulations in the rural economy and the concurrent “rolling out” of new forms of state intervention is to maximize the values of rural spaces and spatial arrangements in the new global economic environment (cf. Peck and Tickell 2002: 389). As was illustrated in Chapter 3, the state spatial strategy that anchored the development of industrial resource production during the ‘long boom’ of the postwar period (a strategy that sought the spatial dispersion of industry, settlement, and services across the province) is now understood to be a
hindrance to the productivity and profitability of the corporate resource sector. As a result, governments have pursued reforms that are intended to ‘splinter’ the spatial economies of rural BC (cf. Graham and Marvin 2001) – separating the rural economy into its component parts, and ‘liberating’ these to ‘find their own ways’ in the wider logics of the global economy.

Spaces of resource development

This policy movement has meant very different things for corporate and community-based actors. For corporate actors, the re-regulation of resource spaces in British Columbia has significantly extended the authority of firms over resource spaces, while minimizing commitments to specific places, labour pools, and physical environments. The implementation of the Forestry Revitalization Plan and Forest and Range Practices Act in particular have contributed to the establishment of a fundamentally novel spatial economy in rural regions of BC. This spatial economy is based on the ability of corporate firms to selectively exploit territories based solely on market imperatives. In other words, corporate actors are significantly freer to profit from the manipulation of newly ‘flexible’ resource spaces. As was discussed in Chapter 3, this stems from the re-regulation of resource spaces to be simultaneously more uniform and more particular. On the one hand, the liberalization of trading and access rights (where firms may more freely exchange and/or subcontract tenure rights) and the termination of appurtenancy requirements (the tying tenure rights to a particular point of processing) break down the political and economic differentiation of resource spaces. These are made more uniform and exchangeable as the ‘values’ of these spaces are determined
solely by market principles. On the other hand, spatial liberalization allows for more particular usage of resource spaces. For instance, the end of utilization requirements and minimum annual harvesting are intended “to allow a licensee to make the appropriate business decision to cut and remove timber if and when it makes economic sense to do so” (British Columbia 2003d).

This development strategy is explicitly intended to end the spatial economy of Fordism-Keynesianism-corporatism in rural British Columbia. While the contours of the emerging spatial economy of corporate-industrial resource production in British Columbia are still unclear, early evidence points to two main consequences. First, the spatial liberalization of resource production is likely to further trends toward the agglomeration of processing and production in larger centres such as the Lower Mainland, mid-Vancouver Island, Prince George, Okanagan, and South Kootenay regions (cf. Mickelburgh 2005; Markey et al. 2005: 80). Increasingly, firms are attempting to achieve flexibility in production by concentrating investment in large, modern mills and facilities that can be rapidly reconfigured for a variety of supply and products (Hayter and Barnes 1997a: 17). These imperatives, in combination with the end of appurtenancy and utilization requirements that liberate the flow of harvest to the ‘location of their best use’, mean that many mills and processing facilities in remote areas have become redundant (cf. Pearse 2001: 20).

The second main consequence of the emerging corporate-industrial spatial economy in British Columbia is that the geography of resource harvesting is suddenly made both unequal and unpredictable. The spatial liberalization of harvest (achieved through the deregulation of access rights, implementation of results-based regulation, and
the termination of minimum annual harvests and utilization requirements) means that major firms can draw heavily on particular spaces while leaving others fallow, depending on market conditions (Marchak and Allen 2003: 34). This variability in the geography of harvest is a serious concern for forestry labour unions, who fear a further decline in the “resident workforces” of rural areas as flexibility and mobility in harvest become business as usual (cf. IWA 2003b; 2004). This variability also means that it is increasingly difficult for community-based labourers, contractors, and forestry support firms to predict and plan for periods of harvest in the region. This frustration was articulated by a forestry contractor in one of the case communities as follows:

We’re market driven [now], so we see shutdowns all the time. ... It used to be a lot more stable and predictable. In early 2004, we were going like crazy. Now, I don’t know what’s happening. I mean, it’s February and we should be out there cutting – it’s a fucking shame that we’re not but we have no control over it. ... What I want to ask them [tenure holders] is how the fuck am I supposed to keep a workforce here when nobody knows if and when we’ll be working? ... How in the hell do you plan a business and get people into the business without any certainty about if they’re [going to] work? We can’t do this at the last minute!

(Male, Owner of small business, Interview reference # 92)

This quotation illustrates some of the consequences for communities of the ‘splintering’ of rural spatial economies. The liberation of corporate actors to organize resource harvest and production according to the logics of their particular markets means that these major firms will engage intensely with some rural places, while having a much more tenuous connection with other communities – dipping in and out of the local economy and labour pool on an ‘as needed’ basis. In other words, the ability of resource firms to draw value and wealth from their capacities to organize and manipulate spaces is likely to benefit some communities, while effectively excluding others. For those
localities with the fortune of serving as centres for flexible harvest and production, the new spatial economy of corporate-industrial resource production can yield significant growth through capital investments and the residency of a mobile labour force for resource harvesting. But for communities that find themselves outside of this spatial logic, these changes threaten them with the prospect of becoming 'places without purpose' in the global resource economy.

These inequalities are arguably the root of the fear uncovered in the case community of Port Hardy of eclipse by mid-Island communities such as Campbell River. The latter, which actually suffered a population decline through the 1990s, has recently emerged as a centre for flexible labour and production that has generated significant anxiety in the former regional centre of Port Hardy (see pages 146-8 of this thesis). The current prosperity of Campbell River ought not be disparaged. However, it is important to recognize that the emerging spatial economy of corporate resource production has a highly varied relationship with different spaces and places in rural BC. This is a key factor in the ‘splintering’ of rural spaces, as the political goal of spatial dispersion in the resource economy is replaced by a development strategy that explicitly endorses significant spatial variability and inequality in the resource sector. While some communities will benefit from this transition, others find themselves largely isolated from the resource economy that in many cases continues to draw wealth from adjacent spaces.

Spaces of community development

The spatial economies of rural British Columbia are being restructured according to the logic of liberalization. Specifically, the segregation of corporate and community-
based economies has proceeded on the argument that each must be independently realigned to better address the market demands of (different) global economies. As such, liberalization means very different things for corporate and local actors. While both major resource firms and community-based actors are being (variously) forced, encouraged, and liberated to pattern their economic actions according to market principles, there are deep discrepancies in this division. As we have seen, for major corporate actors liberalization means an extension of discretion and authority over the spatial economy in which they are embedded (industrial resource production). This discretion and authority can be levered to access the vast wealth that is embedded in rural territories (thus enabling a 'space-intensive' form of globalization).

For local actors, in contrast, liberalization means a new reliance on entrepreneurialism in local governance and economy. Entrepreneurialism involves an extension of responsibility to local actors, but not necessarily of authority (Herbert-Cheshire and Higgins 2004). As traditional forms of state and corporate involvement in local economies recede, and new state programs and forms of intervention are “rolled out” that are competitive, entrepreneurialist, and network-based, a distinct transfer of responsibility for local development occurs (cf. Che 2003; Herbert-Cheshire 2003). As I argued previously, this treads the fine line between authentic community empowerment and the neoliberal devolution of responsibilities for countering the contradictions of post-Fordist capitalism to its victims.

While the political motivations and outcomes of this policy movement are debatable, its impacts on the landscape of rural development are not. First, a cornerstone of the entrepreneurialist strategy for development is that government support and funds
are allocated competitively (Harvey 1989b). As discussed in Chapter 3, this is done in order to ensure that funds target particular areas of local strength and commitment. However, this method puts the onus on local actors to out-compete other places and jurisdictions to demonstrate that support is best allocated to their project and/or region. This is a cornerstone of state visions for a place-intensive form of globalization, whereby communities draw on the resources (human, social, financial) that inhere in place and locality in order to generate wealth and development in a global arena. The role of government in this process is understood as an ‘enabler’, selectively promoting, sponsoring, and steering local initiatives through the methods of “embedded autonomy” (Evans 1995; 1997).

However, this approach results in what Brenner (2003: 211) terms the institutionalization of spatial inequalities, where the unequal distribution of benefits becomes the foundation for development efforts. (“This approach is premised upon the assumption that uneven development may be continually instrumentalized as the basis for economic development rather than operating as a barrier to the latter”). In this respect, entrepreneurialist development policies and programs themselves contribute to the splintering of spatial economies in the province – in this case by distinguishing between ‘worthy’ and ‘unworthy’ targets of funding. For those communities that are best able to mobilize local social and capital resources to compete for this new type of state support, these programs can be of significant benefit for local development. For those that cannot, the economic and psychological consequences can be dire, as economic decline can become self-perpetuating (as out-migration diminishes local human and social capital), and the entrepreneurialist mantra applies labels such as “unhealthy communities” and
“lagging regions” to localities that have been victimized by political economy (Herbert-Cheshire and Higgins 2004: 293; cf. Halseth et al. 2004: 313).

To sum: in response to the extended crisis in Fordist high-volume resource production in the province, senior governments have explicitly sought to splinter the rural economy in British Columbia into its component parts, ‘liberating’ the corporate-industrial and community-based economies so that they may best align themselves with particular demands in the global economy. I have suggested that the (very differently achieved) liberalization of resource and community economies is establishing deep inequalities across rural spaces and communities by rewriting the economic geography of the province according to market criteria. To be clear, rural spaces in British Columbia have traditionally been riven with inequalities within and across populations and communities (cf. Marchak 1983). However, I argue that the liberalization of resource and community economies is likely to deepen these tendencies. First, the spatial liberalization of resource production is likely to further trends toward the concentration of processing in existing urban and semi-urban centres in the resource economy (cf. Markey et al. 2005: 80). At the same time, spatial flexibility in harvesting means that many communities are faced with a variable and unpredictable relationship to the corporate-resource economy, which increasingly appears to dip into the local economies and labour pools of these places on an as-needed basis. Second, the liberalization of community economies (proceeding in large measure through new entrepreneurialist development programs) strongly discriminates among the capacities of local governments, community groups, and firms to compete for support. Indeed, these programs are premised on the
understanding that some communities and actors will be more capable of achieving Post-Fordist, post-corporatist prosperity than others.

6.2 Inequalities Within Local Economies

A second, less severe dimension of inequality stemming from the spatial restructuring of rural economies manifests within local economies. This research has demonstrated that the collapse of corporate involvement in local economies presents a significant challenge to many local firms that find themselves suddenly cut off from traditional client and/or consumer groups. The research conducted in the case communities of Bella Coola and Port Hardy suggests that many local firms and groups are responding to this by adopting various strategies to re-connect with broader markets and economic spaces.

In this section, I argue that three distinct trajectories of development are evident in the new 'unruly' local economic environment of the case communities. The first involves firms that continue to be dependent on the local market; the second, firms that adopt a passive stance to global flows and movements; and the third, firms that pursue an active stance towards direct participation in extra-local markets. These splinter local spatial economies by establishing different types of relationships with global economies. Moreover, these strategies strongly differ in their potential for wealth generation, and in their potential for exerting any kind of control or influence across distance and/or in global economic spaces.

First, the portion of the local economy that continues to be dependent on the local market has very limited potential for wealth generation in the new network-based rural
economy, nor (it almost goes without saying) does it demonstrate prospects for the extension of influence or control over or within local or extra-local economic spaces. This section of the local economy, which encompasses many (but not all) storefront retail firms, as well as large portions of the in-person service sector (such as short-order restaurants, private day-care services, personal financial and accounting services, pubs and bars, etc.), is perhaps most representative of Castells' (1998; 2000) assertions regarding the "black holes" of network capitalism. While I have criticized Castells' assumption that rural territories are largely excluded from the "space of flows" upon which the global network economy is based, this particular section of the community-based economies of Bella Coola and Port Hardy clearly function outside this logic. These firms are mired the "space of places", in that their fate is "contained within the boundaries of physical contiguity" (Castells 2000: 453). That is, their futures are tied to local systems of consumption and clientism that have severely diminished following the collapse of Fordist-corporatist dominance of local spaces. Theirs is a marginal future unless other actors and mechanisms bring renewed prosperity into the community.

The second category or trajectory of local development involves firms that seek to participate in wider economies but adopt a passive stance towards global flows and movements. This includes many tourism-oriented firms that have made significant investments in such things as property and service upgrades on the assumption and hope that existing 'global' flows will continue to descend into local spaces. As discussed in Chapter 5, this type of engagement with global markets and flows typically involves attempts by local firms to strategically position themselves within local spaces, but relative to key points of contact between local and global scales. This allows firms to
draw on the wealth of extra-regional economies, but in a way that does not leave much room for error or variance. Essentially, firms that adopt a passive stance to global flows and movements depend heavily on their ongoing stability and predictability – factors that are outside of local control. For instance, recall the case of the wire rigging operator in Port Hardy (discussed on pages 206-7). This firm’s successful diversification within the local economic space is impressive, as it expanded operations to address the routine safety needs of international aquaculture firms operating in adjacent ocean spaces. However, this positioning at a local-global juncture is tenuous, in that it depends on the continued profitability of this exchange for the international actor. As we saw in those interviews, these same aquaculture operations have shifted other supply needs from local to global suppliers, suggesting that similar transitions are very possible in the future. Thus, while the passive stance to global flows has significant potential for wealth generation in local spaces, this strategy does not extend local influence or control into global network spaces. This limits the potential of this approach to counter the challenges of geographic marginality that have been made more raw following the collapse of local corporatism.

The third trajectory within the local economy involves firms, groups, and actors that adopt an active stance in the local-global relationship. This involves the direct struggle to become a ‘global actor’, or to directly and meaningfully participate in extra-regional and/or global economic spaces. As we have seen, this hinges upon the capacity of local actors, groups, and/or networks to ‘perform’ network connections and movements. In the rural case, where geographic and social marginality are tremendous obstacles to meaningful participation in global economies, these actions rest on the
capacity to configure the spaces in-between rural place and global market. These hybrid spaces, which are patterned by their physical, social, and technological dimensions, become enormously significant in a rural network economy. As we saw in Chapter 5, firms that are able to negotiate the socio-technical network arrangements involved in directly reaching across space have been modestly successful in accessing and asserting a ‘presence’ in extra-local markets.

This research suggests that this ‘active’ strategy offers significant potential for countering marginality and meaningfully connecting community-based and global economies. This potential stems from the direct nature of these connections. Unlike corporatist arrangements, where the local-global relationship was controlled by institutions of corporation and state, many local firms and groups are now pursuing direct access and relationships to global spaces and markets. Returning to the discussion in Chapter 5, the cases that have demonstrated the most success (in terms of local participation, influence, and access to global wealth) are those that are able to establish stable and durable means for performing distance, or coordinating connections, movements, and/or exchanges across the ‘middle spaces’ between local and extra-local (global) economies (see pages 230-42). These arrangements counter the condition of marginality because, unlike the other trajectories in the local economies of Port Hardy and Bella Coola discussed previously, this strategy in some cases allows for the extension of a modicum of control by local actors into global spaces.

This is most evident in the discussions (in Chapters 4 and 5) of the separate tourism associations that have recently emerged in both Port Hardy and Bella Coola. The explicit aim of these organizations is to negotiate and navigate both local and global
economies. On the one hand, they aim to structure and pattern their relationship to the global economy (in this case, the global tourist economy) by plugging directly into global networks of tourism operators, whose business is to 'perform' distances by coordinating movements across international and local spaces. At the same time, these associations pattern local economic spaces by distributing business and enforcing certain expectations of conduct and service.

However, it is also important to recognize that the 'active' strategy or trajectory in local economies is also limited. Throughout this work, I have used Sjoholt's (1987) terminology for describing the post-corporatist economy as being spatial "unruly". This term is highly appropriate, as we saw in Chapter 5 that many rural firms are struggling with the need to constantly 'negotiate' spatial arrangements and movements (see pages 212-5). But this research also found that "spaces of prescription", particularly as controlled by urban-based corporate actors, continue to wield significant spatial power in the new rural economy.

This is not a new phenomenon. The literature on commodity chains and distribution networks has long considered the power imbalances (in terms of economies of scale and scope) between local and corporate actors (cf. Kilkenny 1998b; Gereffi et al. 2002). However, this becomes increasingly significant to prospects for local development in the new economic environment, where local economies are becoming more reliant on the ability of local businesses to directly participate in broader spaces. The ability of corporate actors to better coordinate inputs and outputs in both urban and rural spaces renews the threat of marginality for community-based firms. Indeed, the future of rural participation in the global economy may be the creation of alternative but
somewhat marginal arrangements, such as the network created by the fish processor among rural specialty stores that was created by “loading up the truck and looking for stores” and maintained by the constant negotiation of volumes, prices, and freight for these customers.

This suggests that the emerging entrepreneurial / network-based economies in the case communities, while much freer and ‘unruly’ than their Fordist-corporatist predecessors, are still characterized by significant constraints. While new forms of economic action and ‘ground up’ local-global connectivity are proliferating in Bella Coola and Port Hardy, these put tremendous demands on local actors that are often trumped by outside actors and networks that benefit from better access to socio-technical systems for reliably and predictably reaching across space.

6.3 Rural Futures: plural globalizations in the periphery

The research presented in this thesis points to many possible economic futures for coastal British Columbia. Clearly, these are global futures, as the splintering of economic spaces in the periphery proceeds, and resource and community-based economies are realigned with particular elements of the global economy. However, these ‘globalizations’ are plural, complex, and uneven. While certain components of the rural economy are being intensely globalized, others are finding themselves in a more tenuous relationship with global markets and spaces. In these final words, I suggest that there are distinct tiers to the current movement to ‘rural globalization’, and that the dynamics among these will have a strong influence on future development in particular spaces and places in the periphery.
I label the top tier one of “core globalization”. This category is predominantly populated by corporate actors, that are able to build and control spatial economies based on significant degrees of discretion and flexibility over spatial arrangements, as well as the ability to ‘prescribe’ local-global connections and movements. As such, actors engaged in core globalization include major resource firms (whose authority and discretion over spatial economies have been extended by recent state reforms), as well as corporate actors with an interest in ‘penetrating’ local economies (such as distributors and brokers). Both types of actor build wealth through their capacities to configure and control particular spatial arrangements. They are agents of ‘core globalization’ in the periphery because they exert a tremendous influence on how different rural spaces and places relate to global economies.

I label the middle tier one of “marginal globalization”, which is primarily performed by actors that are embedded in local economies. For these actors, connections to extra-regional markets and spaces are tenuous, the product of significant risk-taking, and ongoing negotiations and performances. This economy is marginal in that it is increasingly separate from the massive movements of wealth and goods involved in ‘core globalization’. In other words, this economy operates in very different spaces than the corporate economy – its agents are forced to ‘find their own way’ in re-connecting with global markets and spaces. As such, local actors have to work exceptionally hard in order to ‘break into’ extra-regional economic systems, as these are not immediately open to them.

Last, the bottom tier of the new rural economy is effectively excluded from the movement to economic globalization. These are the sectors of the local economy that
continue to be committed to economies of place. As we have seen, these economies have severely diminished in the case communities, and continue to depend on the capacities of other actors to channel wealth and capital into local spaces.

It is important to remember that the splintering of rural economies in this manner is the product of key political economic decisions. Indeed, as we have seen, it is a striking reversal in state development policy that governments are actively seeking to lessen the importance of the top and bottom tiers in local prosperity and development, while advancing "local-global entrepreneurialism" as the cornerstone of community futures. This is likely to have several long-term consequences. First and foremost, it means that many rural communities in British Columbia will be permanently isolated from the primary source of rural-global wealth, namely the vast natural resources of the province. While a reversal of the current movement to spatially liberalize the resource economy remains a possibility, it would be very politically and logistically difficult to revive or recast policies such as appurtenancy, utilization requirements, and restrictions on the exchange of access rights (although it may be more possible to re-introduce process-based environmental regulations and controls). Spatial liberalization means that communities will have fewer and more tenuous connections with the wealth embedded in adjacent spaces.

The second likely long-term consequence of current trends is the ongoing multiplication of spatial economies within communities. This will likely be (as it has been) a painful but progressive development. Community-level economies have been radically transformed in a very compressed period of time from deeply corporatist to deeply Schumpeterian in nature – where local firms are thrust into manic periods of
“creative destruction” in order to survive (cf. Schumpeter 1975 [1942]: 82-5). This, in combination with new forms of state intervention based on the principles of entrepreneurialism and “embedded autonomy” (cf. Evans 1995), are likely to continue to spur remarkable innovations, leading to new local-global connections and capacities for network- and distance-performance. While this research was conducted at an early stage in this transition, it has uncovered sophisticated local strategies and practices for negotiating, navigating, and performing these new economic spaces. This suggests the possibility that alternative paths to ‘core globalizations’ are possible from the geographic margins.
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Young, Nathan, Anthropology & Sociology

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Approval of the Behavioural Research Ethics Board by one of the following:

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